

*The Economy*

to divide a national dividend, but we must consider that the monetary capital is now the only one to obtain national dividends each fiscal year while the labour capital and the intellectual capital are penalized for having contributed to the development of our country and for having increased production as required to serve the consumer. People are penalized because they have paid taxes on these products while someone else controls the economic life blood of our country. In fact, Canada receives a national dividend in the form of a reward. I thank you, Mr. Speaker.

**Mr. Donald W. Munro (Esquimalt-Saanich):** Mr. Speaker, before dealing with the substance of the motion, I hasten to congratulate and thank the hon. member for Roberval (Mr. Gauthier) and his party for their cunning in drawing up the orders of the day. At the same time, I also want to thank him for having given me the chance, considering the terms of his motion, of pointing out once again the shortcomings and even the failure of this government in the area of general economic policy.

Notwithstanding the comments we heard from the hon. member for Bonaventure-Îles-de-la-Madeleine (Mr. Béchard) in trying to whitewash the government, it is obvious and there is every indication that the economy of this country which possesses almost endless wealth and opportunities, has never ceased to deteriorate since the coming into power of this government under the Prime Minister (Mr. Trudeau).

Our country has experienced incredible economic ups and downs since 1968. Unfortunately, time does not allow me today to mention the constitutional ups and downs we have also experienced, but I want to submit evidence that proves my case. The Consumer Price Index which was pegged at 100 for the year 1971, amounted to 89.4 per cent in 1968, while today, it reaches the 171.8 per cent level as of the month of April. That is almost twice the 1968 figure, Mr. Speaker.

Besides, in another area, the inflation rate was 4.5 per cent in 1968 and, for the current year, it is up to 8.8 per cent, which is almost twice. Our national debt is yet another example. We had an indebtedness of \$32,900 million in 1968 and this has increased to \$67 billion today; that means \$32 billion against \$67 billion today. Once again, it has increased almost twofold.

Each Canadian has seen his personal indebtedness, as reflected by the national debt go up from \$1,600 to \$2,861. In order to finance this debt, the increase in interest went from \$2.3 billion in 1968 to \$5.4 billion today, which is close to twice as much. To pay the interest to finance the national debt, to face this terrible cost, each taxpayer in Canada had to pay \$162 in 1968, whereas today the government takes \$744.50 from him, which is close to four times as much. The government levies four times as much income tax as it did in 1968 in order to be able to meet this interest on the national debt.

While I talked about inflation in general terms, we have just heard the hon. member for Bonaventure-Îles-de-la-Madeleine (Mr. Béchard) praise the efforts made by the government to check unemployment, but the record is also depressing. In

April 1968, the month when the Prime Minister took office, there were only 375,000 jobless in Canada. Today we have more than one million unemployed. We have seen a three-fold increase in the number of unemployed, of people seeking a job. The unemployment rate is also an indication of the failure of this government: it went up from 4.5 per cent in 1968 to 8.6 per cent in 1978.

● (1532)

[English]

I could give a good many more figures, but I want to concentrate, having set that scene, on section (2) of the resolution which is before us. If time permits I would like to say a word on section (4) as well.

Section (2) condemns the government for failing to present to parliament new and effective measures in connection with the elderly. The hon. member for Winnipeg North Centre (Mr. Knowles) expanded on this to some extent. There is another aspect on this that has captured my attention. I have spoken about it before in the House, but I find sometimes one has to come back again, again, and again to the same matter because only by going over it does the government gradually get the idea. They eventually find there is some value in what they are hearing from the other side of the House and they adopt pieces of it and, of course, present it as their own to derive full political advantage from it.

The matter I would like to speak about this afternoon arises out of the consumer price index which is used for the adjustment of pensions. It is a misleading index when applied to all sectors of the population, and I will explain why. The consumer price index is made up of a basket of things. The basket consists of food items, housing, clothing, transportation, health and personal care, recreation and finally, an interesting category that I shall come to in due course, tobacco and alcohol. These items in turn are broken down into individual portions. It is through these portions and their allotment that I hope to show that it is an unrealistic basket as far as those who are on pensions are concerned. The government has not been sufficiently imaginative and thoughtful in its presentation of policies, programs and procedures to deal with the problems facing these people.

On the food side 24.8 per cent of the whole basket goes into the consumer price index. Out of that, 3.3 per cent is for dairy products, 7.2 per cent for meat and 3.2 per cent for fruits and vegetables. It stands fairly well when you compare one with the other, 3.2 per cent for dairy products, 7.2 per cent for meat, poultry and fish and then 3.2 per cent, about the same as dairy products, for fruits and vegetables.

However, if you look at it in relation to the larger picture, food in relation to housing and so on, the distortion in the consumer price index becomes a little more evident. I will read the breakdown that makes up 100 per cent of the basket: 24.8 per cent for food, 31.4 per cent for housing—one quarter for food and about one third for housing—11 per cent for clothing, 15 per cent for transportation, 4.5 per cent for personal