

Canadian Economy

● (1542)

Mr. Speaker, Canada's debt in 1964 was \$25,750 million and in 1967 it had reached \$30,034,801,000. By the end of 1976, the direct public debt had risen to \$96 billion, that is \$60 billion for the federal government, \$25 billion for the provincial governments and \$11 billion for the municipalities. And these figures do not include the \$24 billion guaranteed by the various levels of government for the funding of public corporations. Besides, last November 16, an item in *Le Devoir* read, and I quote:

Wood Gundy statistics showed that the financing of the public debt had reached in August 1977 the level of \$1,450 million, or \$875 million for the federal government, \$333 million for the provincial governments, \$4 million for Ontario municipalities and \$80 for Quebec municipalities.

And it goes on to say:

In the first eight months of this year, the Canadian public debt has increased by nearly \$13 billion.

Meanwhile, our 11 chartered banks expect to increase their assets by more than \$25 billion by the end of December. From all that, one may readily infer that the direct public debt charges have increased. As a matter of fact, in the last five years, they have increased by 120 per cent, that is 135 per cent at the federal level and 100 per cent at the provincial and municipal levels. The share borne by every Canadian worker has gone from \$444.44 for the 1971-72 fiscal year to \$822.92 for the current fiscal year. Besides, for last year alone, those charges reached \$7.9 billion.

Mr. Speaker, we, of the Social Credit Party of Canada, have claimed for years that the creation of new liquidities does not necessarily create inflation. We say that if Parliament wishes to change the way our banking system works, it is surely empowered to do so. Besides, did the speech from the throne not say the following, and I quote:

High rates of unemployment and inflation are clear signals of the inadequacy of economic strategies appropriate to simpler times.

Those are the very words found in the Speech from the Throne at the opening of the session. While implying that problems cannot be solved by present procedures, the federal government seems to be delighted in staying on the beaten path. It is blind and deaf, I imagine, for it is indifferent to appeals from everywhere, for satisfying needs and desires of the Canadian people, in an enormously rich country. Nevertheless, the Canadian government runs into debt because of its weakness in the face of financial and economic dictatorship—it reminds me of a big hooked fish which cannot fight back, it is drowning, it will eventually be drowned—in using these same economic procedures, which of course have been obsolete for several years.

Mr. Speaker, there is no doubt in my mind that the financial system is no longer adequate. It has to be changed, even though those who are opposed to any change in the present system call "inflation money" any new money issued by the Bank of Canada, which is a property of the state. As is undoubtedly known, the value of money is related to its quantity and its circulation velocity, compared to the needs felt by the population. During the war there was no problem in

[Mr. Allard.]

raising the financial resources to protect the integrity of the nation. I sincerely think that if the country is teeming with workers and well stocked in materials—and Canada is—we should not experience the current difficulties—workers and materials should be put to use.

For us Socreds, anything that is physically possible and desirable can be made available financially. As you can see, Mr. Speaker, the motion we have brought forward is right on the dot, because apparently our governments are getting increasingly caught in the current economic quagmire and can find no way out. I would like to quote a few figures on the present unemployment situation. From 1953 to 1970, employment remained relatively stable except in the 1958-61 period, where unemployment soared. Since 1975 however, unemployment has been of astronomical proportions. From 8.4 per cent in 1975 it went up to a record 8.7 per cent. In August 1977, there were 838,000 people looking for work, and we have not yet gone through the worst months of the year.

Turning to inflation, we have recently seen unexplainable increases in food costs. Fortunately, price increases had levelled off during 1975 and 1976, so we were given some kind of a break, but they have been increasing again, sharply, since the beginning of 1977. To my knowledge, food accounts for the biggest price increase in 1977. As I said, this is partly due to higher costs of such items as vegetables, fresh fruit, coffee, some dairy products like milk and butter, pork and so on.

Mr. Speaker, although the rate of unemployment among workers below 25 decreased slightly from 14.8 per cent in August to 14.5 per cent in September, the proportion of employed in that age group—young people out from university and students aged 18 to 26—is really disappointing. As I said, the rate of unemployment is much higher this year than at any time since world war II. For workers over 25, there was a deseasonalized rate of 5 per cent.

The Acting Speaker (Mr. Ethier): Order, please. I am sorry to interrupt the hon. gentleman, but his allotted time has expired. He may continue with the unanimous consent the House.

Some hon. Members: Agreed.

Mr. Allard: Thank you, Mr. Speaker. I am grateful also to my hon. colleagues. I shall try to conclude as soon as possible so that other hon. members may also make a contribution.

As I was saying, unemployment is especially hard on our young people who are between 18 and 25 years of age. This is an unfortunate situation, for these young people are ready to contribute a lot of services to the public. They have the necessary training to do their part in developing our country, and they are those who in the future will look after the training of our young people. As for unemployed women in the labour force, the rate edged up from 7.3 per cent in August to 7.5 per cent in September.

Mr. Speaker, the statistics show this to be an all time high for September 1977. In fact, the rate for September of this