

Cost of Living

We are talking about the high cost of food. We have concentrated on the question of the high cost of food ever since the debate began.

Mr. Gillies: No.

Mr. Mackasey: The hon. member for Don Valley (Mr. Gillies), who is a very serious member, says no. But the fact of the matter is yes. Is someone from the opposite side of the House now going to get up and advocate tight money? If that is the case, we will be right back to 7.2 per cent unemployment. The Minister of Finance (Mr. Turner) made it clear today—

Mr. Nowlan: To whom?

Mr. Mackasey: To you people who asked the question—that there was not a tight money policy in this country. Somebody may have pointed out the inconsistency between a high interest rate and a non-tight money policy. Although it may be contradictory, at least we know this much, that if we introduced a tight money policy at this stage in our development, at this stage in our recovery, once again we would be fighting the battle on the backs of the working poor of Canada.

• (2040)

I should like to ask those hon. members who were attacking unemployment insurance last October, saying that \$66 was too much, if they still feel they were right. If I were a farmer I would say the chickens have come home to roost on that one. I do not hear anybody now saying that we have to roll back the cost of unemployment insurance.

An hon. Member: You sure have to.

Mr. Mackasey: The hon. member is honest, but let him tell the unemployed person who gets \$66 a week that he is getting too much. At least he is honest; he is reflecting true Tory policy, and honesty is a good thing.

Mr. Deputy Speaker: The hon. member for Peel South (Mr. Blenkarn) on a point of order.

Mr. Blenkarn: Mr. Speaker, I was wondering whether the hon. member for Verdun (Mr. Mackasey) is satisfied with 5.5 per cent inflation. We on this side are not.

An hon. Member: Unemployment.

An hon. Member: You are all mixed up.

Mr. Deputy Speaker: Order, please. I think I should remind hon. members that this is an open-ended debate and points can be made at three o'clock in the morning if somehow the hon. member is not recognized earlier than that. This is really not a point of order and, if I may, I restore the floor to the hon. member for Verdun.

Mr. Mackasey: Mr. Speaker, for the record, I think the hon. member was asking whether I was satisfied with 5.5 per cent unemployment, rather than inflation. Of course I am not. That is why I am scared that some would-be economist who thinks he has the answer might come along and say that now we have 5.5 per cent unemployment and

[Mr. Mackasey.]

high interest rates, all we need is a tight money policy as further restraint on the wages of the working classes, and then we will all be happy and inflation will disappear. That is what is going to happen if we are not careful.

I am not happy with 5.5 per cent unemployment. But at least for once in our lives we put the priority where it should be until we solve inflation, that is, looking after the people who are unfortunate, looking after the people who cannot afford food of any kind, rolling back the price of milk, holding the price of bread and at the same time looking after the western farmer who for the first time in a decade is getting paid a proper return.

The hon. member for Don Valley is a serious economist. He knows that inflation cannot be settled overnight, that part of it is imported. It is a worldwide problem and people will have to wake up and attack it on a worldwide basis. I have to be honest, Mr. Speaker. I would rather have a little inflation than the type of unemployment that permeated this country last year and the year before and the years from 1956 to 1962 when the Leader of the Opposition (Mr. Stanfield) was premier of Nova Scotia. Unemployment predominated in those days. I think hon. members opposite would admit this if they were not too interested in making political points on the backs of the unemployed and the working poor of this country. Mr. Speaker, the answer is not tight money.

An hon. Member: Is it expensive money?

An hon. Member: If you say it often enough you will believe it.

Mr. Mackasey: One thing I do believe, Mr. Speaker, is that the solution does not lie in driving people out of work. That is what tight money would do. The Minister of Finance has resisted the temptation to revert to a tight money policy and obviously is hoping that high interest rates will introduce the right degree of restraint into the economy to give us the best of both worlds.

When we play around, as the hon. gentleman just did, talking about extraordinary measures but "don't worry about fish," then we are being political with the lives of the underemployed and the unemployed and the working poor of this country. They are the innocent victims of fiscal and monetary policies not only in this country but in all industrialized states. One of the other fallacies that I have heard repeated all week is that inflation is caused by underproduction. There is all kinds of unused capacity in this country.

The hon. Leader of the Opposition (Mr. Stanfield) points in the direction of the Minister of Finance. Mr. Speaker, it was not the Minister of Finance who said that unemployment insurance was too costly and "if I ever form a government I will reverse the trend".

An hon. Member: Who, John or you?

Mr. Mackasey: Don't divert me from my point. By the same token, I am very tired of my friends in the corner who think the word "profit" is a dirty word and that companies have no right to make a profit. They think that because a company makes 34.8 per cent profit over last year, without telling us whether last year was a losing year or a good year, it should be censored. They are being