

Anti-Inflation Policies

would be to raise the income tax exemption and lower the taxes of people with low incomes so as to give them the purchasing power to buy goods.

The fifth thing we are suggesting is that there should be a mandatory prices and incomes policy to prevent unjustified price increases and to roll back some of the administered prices which are now being imposed by monopolist and multi-national corporations. The government has surely learned by this time that we shall not achieve price stability merely by relying on voluntary commitments by industry. About two-thirds of the economy of Canada is controlled by monopolies and quasi-monopolies. The prices of the commodities which they produce are administered prices, set not only to cover costs and a reasonable return to the shareholders, but designed to generate capital for future development. These corporations are in a position virtually to set their own prices and to demand whatever they wish from the consuming public. Unless the government is prepared to adopt a mandatory prices and incomes policy we shall completely fail to deal with the question of rising prices.

I say to the Minister of Finance and to the government, there is only one thing worse than making a mistake: it is the refusal to recognize a mistake once it has been made, refusal to reverse a program. The government started out to cure inflation. It adopted a program of blanket restraint, and the results have been catastrophic. If it continues, a vicious circle will develop; every person thrown out of work is a person whose purchasing power is sharply curtailed, and this leads to others being thrown out of work. As more people find themselves out of work, the cost of production increases and it becomes more difficult to compete in foreign markets. An economic recession can develop into an economic depression very rapidly. The Prime Minister should not then be worrying about breaking an inflationary psychology; he should be worried about breaking a depression psychology, something which can be deadly as anyone who lived through the great depression will testify.

I am urging the Minister of Finance, not that he give up any idea of controlling inflation but that he should recognize that to fight inflation requires much more sophisticated economic tools than the blunt ones he has been using. He should look into this question of selective controls, both monetary and fiscal, of selective investment policies and the man-

datory control of prices. It should be possible to do this in this age when we have computers and more knowledge of economic forces than ever in the history of mankind, it should be possible in a country like Canada, with its vast resources, to have relatively full employment, a high level of national income and, at the same time, a relatively even and stable price structure.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I would like to take part in this debate on a motion of non-confidence against the government concerning its employment policy or rather its unemployment policy.

The Leader of the Progressive Conservative party has put a motion which reads as follows:

That this House condemns the government's arrogant acceptance of recession-level unemployment in slow-growth areas of Canada and cost-of-living hardships generally while dogmatically continuing discredited policies that have failed to put the national economy on a non-inflationary upward course.

Mr. Speaker, we know that the government led by the Prime Minister (Mr. Trudeau) had promised the establishment in Canada of a just society which seems to exist only for a few individuals. Indeed, the large number of people who must live with the insecurity that unemployment creates surely do not benefit from the just society that the present government has promised, and the Canadian people are not deriving any advantages from the country's resources, for instance its natural resources that must be developed to bring wealth.

We are told that the rate of unemployment in Canada has now reached 6.7 per cent.

• (3:50 p.m.)

Needless to say, that is the official figure, but one must not forget that, during the year, some individuals who become unemployed may later find work while others may, in turn, lose their jobs. On this subject, I had the following question placed on the order paper:

How many initial requests were made to the Unemployment Insurance Commission during the fiscal year ended March 31, 1968?

The answer I was given reads as follows:

1,389,366 initial claims were made through the Commission's offices during the fiscal year which ended March 31, 1968.

There is a gap between the unemployment figures mentioned above and the 6.7 per cent rate that is reported. As I explained a short while ago, an individual may not be without