

*The Address—Mr. Broadbent*

but not the public sector. This seems to me clearly to reveal the commitment of the Liberal party to the economic status quo. Those who attack the white paper for being a socialist document are, to say the least, a little misguided.

Finally, the white paper does nothing to bring about a real shift of the tax burden away from indirect taxation and toward corporate and income taxes. Canadians pay 52 per cent of all tax revenues by an indirect means. Both rich and poor Canadians pay the same form of indirect taxes. This is not the case with the corporate and income tax structure. Any reform that was directed toward the well-being of the average and poor families of Canada would have proposed some changes in this regard, a move away from reliance on indirect taxes, yet none are to be found in the white paper. An NDP government would have made shifts in all of these directions, shifts that the government, if it had so desired, could have made.

To turn to a different area, another practical day to day measure that involves people in our society is manpower retraining. We find all kinds of negative aspects of the manpower retraining program have lingered—I repeat, lingered—during the term of office of the Trudeau government. For example, at the present time an unemployed miner in Cape Breton of less than grade 5 or grade 6 education has virtually no realistic chance of completing a manpower retraining program to bring him up to a skilled level because there is a ceiling of 52 weeks on the amount of academic training that he can take in the program. In other words, the manpower retraining program is effective only for those who do not need it as badly as others, those who are half way there. It is useless for those at the bottom. In this respect we proposed a change, but it was not accepted.

Similarly, the manpower retraining act provides that only those who have been in the labour market for three years are eligible for retraining. This means that the young people of the country, the Métis, Eskimos and Indians, are effectively excluded under the act. I do not have to remind hon. members that the unemployment rate among the young is the highest of all age categories, and the rate is increasing. This is a change that should and could have been made by a progressive Prime Minister, but which was not.

Finally, under the manpower retraining program a man or woman with a family is given an allowance for the duration of the course. However, this allowance has not been changed for years. In other words, a man with a family taking a course has to live on an allowance that is at the poverty level as defined by the Economic Council of Canada. Once again, the NDP argued for a change in this regard so as to enable a man, not to live in affluence but on an income that would allow him to pay his rent and to buy food for his family while he undergoes retraining. But our proposal was turned down by the Trudeau government.

The policy that characterises this government more than any other is the government's magnificent war on

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inflation. There was no justification for launching this war. Our trade figures have been getting better for the last two or three years. The Minister of Finance (Mr. Benson), in his folksy way yesterday, pointed with great pride to the most recent trade figures showing that Canada is doing very well in terms of international trade. But we are not doing well for the reasons that he seemed to suggest, namely the austerity program. We are doing well on the basis of orders that were placed a long time ago, before his anti-inflation program. So the anti-inflation program was not justified by our trade figures. They could be and are an important reason for tightening up. But trade figures at the time did not warrant it. What did justify it? One argument that was used related to the increase in prices which affects our pensioners and unorganized workers. I will come back to that in a moment.

• (5:10 p.m.)

One method the government used which need not have been chosen to fight that battle was the tightening of the monetary and fiscal screws. What effect did that have? Once again, it affected the public sector. It affected hospital building, school building, municipal street construction and so on. It did not affect in any significant way whatsoever the private sector of this country. It did not inhibit the construction of offices or the expansion of automobile factories and so on. Once again the people who were affected were those who most benefit by public facilities and public expenditures—all the average and poor in this country. The private sector was negligibly affected.

What is the reason for this? I should have thought the Prime Minister, who spent some time at the London School of Economics and even trotted off to Harvard for a while, would have realized that the modern corporation in Canada does not go to the market for most of its financing and does not respond in the main to the so-called market forces. General Motors in my constituency, for example, did not lower its prices. It did not cease to expand because of the Prime Minister's anti-inflation policy. The reason it did not, of course, is that it has operations all over the world. It does not just make cars and sell them in Canada. It is producing in the Argentine, Australia, West Germany and Great Britain. General Motors is only symptomatic of all big international corporations.

General Motors, in effect, said to our Prime Minister: Look, fellow, you have your quaint, old fashioned fiscal and monetary policy but we operate on a global basis. It is true that automobile purchases might drop. That is bound to be true with 750,000 Canadians out of work. You can be sure that will affect the rate of purchases of automobiles but it will not affect the pricing policies of General Motors. General Motors, in effect, says it will just sit this out because it is planning for profits not for the next year or for two years but for the next decade. General Motors is not only planning for profits in this country, General Motors is planning profit expectations determined on a global basis. General Motors, and all other major corporations in this country can sit back and ignore the Prime Minister, Mr. Young, the Minister of