

salaries would be hurt. It is very, very easy to control wages and salaries. At that time we were aware of the fact that those who worked on a fee for service basis or investors would find loopholes around the Anti-Inflation Board legislation. Let me make it clear that I am not condemning them as individuals. Indeed, 20 per cent of them found their way around the program and have not as yet sent in their information to the AIB with respect to income, which have to be adjudicated.

We were aware that it would be very difficult to control prices, but the most inequitable aspect of the program, which came into effect in December of 1975, was in relation to those parts of the economy that were excluded. I am referring to gasoline prices, home heating fuel prices, hydro, other public utilities, land speculation costs, home interest mortgage rates and the various borrowing interest rates across the country. All of these were excluded from the AIB program, yet today most of these areas, in terms of cost to the consumer, have skyrocketed well above the AIB guidelines for prices. At the same time wages have been held back.

For example, in December 1975 when the AIB program came into existence, the Canadian inflation rate was 9.5 per cent. Today the inflation rate is 9.5 per cent. What is the rate of increase in salaries today? Those who have to bargain for their incomes or salaries are being held to 6 per cent this year. At this very moment in time we have a differential of 3½ per cent between the amount of money people may receive in terms of an increase in salary and what in fact they are paying with respect to increased costs, according to the consumer price index. Obviously something is amiss.

The other day in Toronto the Minister of Finance (Mr. Chrétien) implied that things would not change. In a critical economic period such as we are experiencing now, the flow of money to those who need it the most must be increased. Whether these people are pensioners, low or middle income earners, they spend money on necessities such as food, gasoline and clothing. Although these are basic items which they require money for, the government is not prepared to reduce taxes, thus providing these people with a tax break of any significance. When more money is put into the economy at a time when the economy is down and money is tight, more money is spent. When this money is given to those at the bottom end of the income scale, it is spent. When it is spent, it creates demand. When demand is created, demand for productivity is created as well. When a greater demand for productivity is created, there is a greater demand for those who produce the products, which is one fundamental way to get people back to work.

It is a disgrace that Canada has over 800,000 persons listed as unemployed and probably another 300,000 persons who are either underemployed or have given up looking for work. Therefore we are talking in terms of 1.1 million unemployed people in this country, perhaps even more. One must look at the cost to those who are working because of the ineptitude and stupidity of the government. One must look at the payout of unemployment insurance, and when that runs out, the cost of welfare. I cannot understand this attitude in light of the

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experience to the south of us in the United States, where a much more rapid rate of recovery occurred. President Carter and his economic advisers are advocating and putting into practice the very things members of the New Democratic Party suggested last fall. Why is it that the government would not listen? I do not expect the Prime Minister to say that I am correct and he is wrong. But I am expecting some new action from the government side, something creative which will provide us with some hope. It will take a long, long time for the government to weaken. I am awaiting something innovative. If the government cannot think of something innovative, why does it not accept traditional economic practices, as the Americans are doing, in order to get more money flowing in the economy? I know we do not have a Lord Keynes or Kenneth Galbraith coming along every day, so perhaps we have to rely on the philosophical concepts of the economics of the thirties and early forties. But at least that is better than standing pat at a time when our economy is on the rocks.

I realize some people have not been hurt, such as myself and many others, but some jobs have been affected by the spin-off from unemployment. I am not referring just to statistics and numbers, but to people who are dependent upon their sons and daughters for a portion of their income, livelihood and so on. Approximately 2½ million Canadians are suffering directly as a result of the government's ineptitude and inability to come to grips with the economic realities of the present day.

● (2142)

The Prime Minister (Mr. Trudeau) is on the campaign trail these days. I guess someone up there does not like him, because when he was supposed to come to Brantford it snowed so badly he could not get in. A lot of work went into organizing the Liberal meeting at Brantford and I feel sorry for those who went to all the trouble. He was only 20 miles away and the highways were open. He could have been there, but he decided not to go.

An hon. Member: The highways were snowed in. I know, I was there.

Mr. Blackburn: We were all snowed in. Highway 2 was open all that morning and during the afternoon, but the Prime Minister decided not to risk it in his big limousine. He left his Liberal buddies in Brantford with about 600 doughnuts and I do not know how many gallons of coffee. I actually feel sorry for the local Liberal people who organized the meeting. Even I received an invitation, as a matter of fact. I do not know who slipped up there. It would take a long time to concert me to the Liberal party, a couple of lifetimes.

Some hon. Members: Oh, oh!

An hon. Member: Nobody would want to do that.

Mr. Blackburn: I can understand why the Prime Minister dwells almost entirely on the national unity issue at this time. He does not want to be reminded of the fact that he has been in office as Prime Minister for ten years, that when he came into office as Prime Minister promising to bring us together as