

*The Budget—Mr. A. Lambert*

in Quebec, there is some at Wolfe's Cove and at Bagotville. And the motorist answers: I know all that, I know there is some in those huge tanks, but it is my own small tank that is empty, and that is why my car won't run.

What is going on now is that the small tanks—the individuals' wallets—are empty and that is where it is necessary to put purchasing power. That is where a remedy should be applied.

In the second place, I remember a comparison made by the minister in his remarks. He contrasted the present Liberal administration with the previous Progressive Conservative government.

The minister may divert himself by comparing the present number of unemployed with corresponding statistics of the then Conservative administration, but it does not solve the problem. It is petty politics; it is making fun of people, especially those who are hit by unemployment. Whether the figures are 8.4 per cent in 1971 or 8.2 per cent in 1962-63, all the same, this is unemployment and a dangerous social plague at that.

In the third place, the minister rightly said that the leader of the Ralliement Creditiste made concrete proposals. I agree with him on this point.

Since I have been elected to the House of Commons, I hear the government talk about fighting inflation. Yet, we had told him so, and I remember having also said on many occasions, that his anti-inflationary policy would gradually push up unemployment, and this is what happened. As a matter of fact, the restraint policy, higher interest rates, and so on, discouraged initiative.

For these reasons, projects have been abandoned, that otherwise would have created jobs and precisely because of rent increases, higher interest rates and poor control of the money supply, all of which precluded companies and entrepreneurs from carrying out public works projects required by the population, by municipalities, by provincial governments and even by the federal government.

● (3:10 p.m.)

How many building jobs have been delayed or abandoned precisely on account of that notorious fight against inflation. At a certain time, the right hon. Prime Minister (Mr. Trudeau) says: There is no more inflation, boys, we can make a fresh start! It happened overnight!

Mr. Speaker, unemployment is serious because it is the primary cause for diminished purchasing power. Here I would like to express my view of matters clearly.

When the purchasing power decreases and the number of unemployed reaches 500,000, families, especially large families, are the first victims of the stagnation. The decrease in purchasing power automatically is followed by reduced sales.

It is obvious that if I have an annual income of \$6,000 I will work out my budget according to that income. But, if at a certain time my budget is reduced to \$2,000, I will have to reduce my purchases.

The drop in sales is the cause of the slowing down of production, which brings about an increased number of unemployed.

[Mr. Lambert (Bellechasse).]

The increase in the number of unemployed cuts down on purchasing power; the decrease in purchasing power is reflected in a lesser sales volume and this in turn causes a slow-down in orders from industries.

When plants have to store their products because of a shortage of orders or a decrease in sales, they lay off their workers who become unemployed.

This is the way we go around in circles. Misery, and destitution prevail in spite of a glut of goods made by Canadians for Canadians.

Progress in the field of manufacturing has as one of its side effects a decrease in the number of workers needed to create a larger productivity. This I will prove to you.

In 1970, in spite of an increase in the number of unemployed, the Dominion Bureau of Statistics tells us that the gross total production in Canada has increased by \$22 billion; this goes to show that the machines did not stop operating. When machines operate, workers are laid off; they lose their buying power while the machines go on producing goods which people still need to buy.

Progress in the field of construction has had the effect of creating the same situation.

I have been in construction. I once had many workers under my supervision to erect some sort of building and today, when I visit a construction site, I note that with a very small number of workers, a similar building is erected in a relatively short time, which means that progress has also come to the field of construction.

With modern implements, producers have become more efficient. While employing less and less manpower, they can do more and do it faster, which means that the unemployed are simply watching machines do the work. Through a window of the plant, they can see that the machine is doing a tremendous amount of work but at the end of the week they are not paid for watching because they did not participate in the work. They are the unemployed: people with a lower purchasing power and dissatisfied people.

The same phenomenon can be found in public works for the construction of roads, bridges and public buildings. I will tell a good story hon. members in this connection.

As for the younger members who did not witness such a horrible thing, I ask them to check the story in old newspapers.

Forty years ago, when settlement roads and even highways such as the Trans-Canada Highway were built, many laborers were hired. The hon. T.-D. Bouchard, the great Liberal genius at that time—he was a minister in the Godbout cabinet in Quebec—had authorized the grading of Highway 20. Indeed, he had authorized the spreading of gravel on the road by a grader drawn by men to increase the number of jobs and tractors were rusting in the yards. I saw and experienced that situation and I can say where it happened. It was in Villeroy, in Lotbinière. I even have pictures. And we pretend to live in a civilized country.