

motion which has been put forward today by the Social Credit Party of Canada through my hon. colleague from Rimouski (Mr. Allard) and which is under study criticizes the present government, which has been here since 1968, for their lack of foresight and leadership. The economic situation has steadily deteriorated since 1968. According to the final report of the Prices and Incomes Commission published in 1972, the unemployment level in 1969 was at 4.6 per cent for the whole country.

In Quebec, it was 7.2 per cent in the Maritimes, Atlantic provinces, 7.8 per cent. In 1971, while Canada had a 6.4 per cent unemployment rate, this was 8.2 per cent in Quebec and 9 per cent in the Maritimes. In October 1977, there was 15 per cent unemployment in Newfoundland, almost 11 per cent in Quebec and more than 8 per cent in Canada as a whole.

These figures show unemployment has been on the increase for the last ten years. In other words, we have been plagued with the signs of a recession for the last ten years.

What has this government been doing? In 1969-70, it let Canadian banks raise their prime rate to a prohibitive level, increasing the cost of living, the cost of homes, automobiles, tractors, heavy equipment, inventories of every description. In 1971 that same government introduced the capital gains tax, which significantly hinders short term investment.

Its regional development investments did not bring about the anticipated results, nor did its Anti-Inflation Act. All this shows that the economic techniques used no longer work. The Keynesian intervention techniques used by the major capitalist countries are no longer working.

Before turning to possible solutions, let me recall the unhappy situation we are now in. First of all the situation in the footwear industry, because the minister stated in his speech he would make an announcement Thursday next in terms of improving the Canadian footwear industry. I commend him and thank him for that. In the constituency of Richmond, we were very much concerned about this, and I believe the Minister of Finance and the new minister from the Conservative party, my hon. friend from Crowfoot (Mr. Horner), can solve the problem.

Because governments could not foresee the massive imports of footwear, textiles and clothing earlier this year, the former industry, trade and commerce minister, the now Minister of Finance, reduced textile imports to the 1975 level. But in 1975, those imports had already increased more than 40 per cent relative to former years. Adding the quotas for this year to those of 1975, the minister only prevented further deteriorations from happening in future years, although we cannot even be sure of this.

This government has never tackled the problem at its origin, it only tried to deal with it superficially. Is the government afraid to assume its responsibilities? Is it afraid of big finance barons who control everything including the political system? Its behaviour might make us think so. We do not ask the government to perform miracles but only to assume its responsibilities in the system from which it feeds itself and not

### *Canadian Economy*

continue to perturbate our economy. What should we say of the government in a situation where textile product manufactures must close down? Not only the footwear industry cannot compete on foreign markets but its Canadian market is invaded by foreign exporters whose products are nowhere near as good as Canadian products. In several cases shoes imported into Canada from low wage and developing countries are synthetic products and leather imitations.

According to a report presented to the Anti-Dumping Tribunal by the Shoe Manufacturers Association in July 1977, the production volume for the first quarter of 1977 has decreased by 19.1 per cent, which means that 19.1 per cent fewer jobs are needed in that industry. Orders for the coming months were decreasing by 40 per cent, and it is fortunate that the minister announced this afternoon that he would do something, because according to the Anti-Dumping Tribunal, if orders decrease by 40 per cent every six months we shall wonder who is going to work in that industry!

The government also mentioned that salaries paid make it hard to compete with foreign countries. I mean salaries paid in Canada make it hard to compete with foreign products. Salaries paid in Canada are certainly higher than in Taiwan, Korea or other developing countries.

**Mr. Tessier:** Or even the United States!

**Mr. Beaudoin:** My colleague from Compton said even the United States and I thank him. It might be true in some cases.

I point out to the government that salaries paid in the footwear and textile industry are not higher than the Canadian average. We cannot expect Canadians to work for \$1 an hour. Wages paid in Canada can have an influence on foreign markets but that does not prevent our industries from selling on the Canadian market. The American government does not hesitate to set important quotas on the exportation of their products to our country and even on products they import from developing countries and which they dump on Canadian markets. I think the government should look after that immediately.

The Canadian economy, particularly in Quebec and in the Maritimes, is facing other difficulties. A paper entitled "Le Québec contemporain" published by the Union régionale des Caisses populaires de Montréal indicates that the disparities between eastern Canada and the other provinces are getting ever more serious. From that paper we can conclude that the weakness of the economy is not due to the lack of production by workers or lack of interest by small businesses, but to a major structural deficiency in the economy of eastern Canada.

Other facts demonstrate the short-sightedness of this government, because the money spent by the government for programs such as Canada Works and Young Canada Works, as mentioned in our motion today, is not sufficient and in many cases will favour laziness and encourage people to depend year after year on unemployment insurance.

Many of those people are being raised on unemployment insurance handouts. We will get nowhere with such stupid