

Government Spending

that matter in my speech. I hear an hon. member opposite giving a very simplistic definition of inflation. There can be different kinds of inflation. There can be inflation caused by lack of productivity and there can be demand inflation. Many of these programs are inflationary in nature.

If we distribute income and give money to sectors of society which, because of their nature, may not spend it as wisely as if it were invested in the national interest, of course it will be inflationary. Particularly in a country like Canada, where income is distributed in sectors not only in terms of people but also geographically, of course inflation will be created in some parts of the country. I agree with the hon. member for Peace River that we should try to relate this as much as possible to productivity, but the fact is that we have done so as much as possible in the last ten or fifteen years.

Mr. Baldwin: Then what is the Prime Minister doing trotting around the country?

Mr. Breau: I will answer that interjection from the hon. member for Peace River who is now on his way out of the chamber.

Mr. Paproski: He is just answering a telephone call.

Mr. Breau: He is just answering a telephone call, I am told. I know that he is a very assiduous member of this House. I will answer the question by saying I do not want to deal with the new anti-inflation program of the government, because this is not the nature of the motion. The hon. member for Peace River spent much time talking about economic and fiscal policy, while the motion does not deal with that. So I do not want to be carried away into a debate on economic policy.

The speech of the Leader of the Opposition this afternoon had a moderating effect. We have heard in public that many people within his party, because of future events, want to have less intervention and less of these statutory social programs. I am not one who wants that. There is no way a man could have been the premier of Nova Scotia or could even have been elected in the Atlantic provinces if he did not think that government intervention in society is good. So I was happy to hear the tone of the speech of the Leader of the Opposition, because I think he agrees with me that in a modern society, one who speaks of restricting government spending and restricting government intervention must be out of his mind. If we want more technology in order to compete better in the world, there will have to be dislocation of workers; therefore, there is need for training assistance, government intervention and government spending.

If we want to have a high degree of productivity and to be one of the most technically advanced nations in the world, we will have to transform our industries. There is an example in my constituency. It is one of the things the government of New Brunswick has done. It has rationalized its forest management policy. In that context, DREE has been involved. The federal government has been very substantially involved in studying this whole question and coming up with a new approach to forest management policy. The centre of this was the construction of a new lumber mill. Unfortunately, the timing was not too good

[Mr. Breau.]

because the lumber market has been depressed. Because we want to be more efficient and more productive, this mill, which is highly technological and very sophisticated, has a relatively small labour force in relation to the volume of lumber it will produce, compared to the old type of family-owned sawmill, and so on, that has been in existence in New Brunswick.

Here is a case of the government of New Brunswick and the government of Canada, in the national interest perhaps creating unemployment because there is a desire to be more productive and to produce lumber at the best price and volume for export to the United States. Many of the small mills, particularly because of the depressed lumber market, are not able to compete with the prices this new mill charges for the lumber it is placing on the market. They have been unable to compete, and in future we will have to transform the lumber industry of New Brunswick in order to have a more rational use of the trees in our forests. That is good for the country. In the long-term it is good for northern New Brunswick and the whole of New Brunswick.

But in the process many workers will be dislocated. This will apply to the small, family-owned mills. Many workers will be dislocated in the cutting industry because many of them use traditional or conventional types of machinery to cut the trees, while it is new equipment that is being used now. This is a case in which we have a trade-off between protecting maybe 125 good jobs for the future that will be competitive and in respect of which a government hand-out will never be required. That is good. In the process, however, we must look after the people who have been dislocated. This can be done in society only by government intervention through Manpower Programs, Local Employment Assistance Programs, Canada Assistance Programs and many similar programs.

I am glad the Leader of the Opposition did not take a stand today to support those within his party who publicly in the last few months have suggested that the government should intervene less in society. I am glad the former premier of Nova Scotia is not the type of politician who would get on a bandwagon which is so popular in some places in Canada today and say that government spending should be restricted. There is no question that so far as the 56 per cent of structural spending is concerned, this is where a cut could be made that would have an impact on inflation and on the economy. But anyone who suggests we can have a drastic cut in the structural spending of the federal government is out of his mind, because it is a complete contradiction of what society is all about.

I should like to deal very briefly with the remarks of the hon. member for Oshawa-Whitby (Mr. Broadbent) who first of all described the government's anti-inflation program as restrictive. I agree there is restriction in some cases. There is restriction in respect of big unions and the powerful in society, but there is no restriction so far as the low income wage earner is concerned, because without this program he could not catch up and the big powerful unions would continue the galloping increases of 18 per cent and 25 per cent. So we should not call this a restrictive policy.