

Alleged Failure to Reduce Unemployment

It is now universally agreed that the high levels of unemployment during the period when the right hon. member for Prince Albert (Mr. Diefenbaker) was Prime Minister were primarily due to the lack of aggregate demands in the economy. There was, of course, near the end of that era, a revolt by Canada's economists who made a determined effort to have the then governor of the Bank of Canada removed. The present government, I would suggest, is making the same basic mistake that was made during that period. Instead of encouraging expansion and increasing public demand, expenditures are being restricted. In doing this, the government is promoting unemployment.

Even with this policy decision a further bias on the part of the government is revealed. The government is restricting the expansion of government services and projects which have, in the main, a direct consequence on the well being of the citizen as a non-consumer. These expenditures are primarily in areas like buildings, hospitals, schools, parks, museums and perhaps even a film industry. Expenditures in these areas are being curtailed to achieve price stability. At the same time the government allows private corporations which, under the kind of economic structure we have, understandably have as their prime motive the recreation and maintenance of man as an infinite consumer, to have unrestricted access to available supplies of capital with an unrestricted right to expand.

The New Democratic Party does not believe that price stability is the main economic problem at the present time. We believe the main problem is unemployment. However, our method of dealing with price stability would be quite different from that of the existing government, and I should like to say something about this matter.

If we regarded it to be an economic necessity to cut back on investment, then we would apply the same restrictions to the private sector of the economy as we applied to the public. This is nothing new. This is a very common principle adopted by governments in western Europe. We would say to the private sector, including petroleum companies, insurance companies and others, that they should not expand in a given year because public needs and requirements were greater. We would then take a greater share of the available capital to provide for greater social needs.

[Mr. Broadbent.]

Let me make it perfectly clear that I am not saying my party believes in a negative attitude at this time toward business. In this mixed economy we say that when we restrict capital investment a serious decision must be made in respect of a set of priorities. At certain times a decision should be made that the consumer industry should be discouraged and the public sector encouraged. We would make decisions affecting capital flows to bring that about.

My point is that the present government, as preceding governments, is bound by the old ideological framework which suggests that when we cut back expenditure we must always do so in respect of the public sector. I suggest that we should tell certain companies who are spending millions of dollars on expansion in Montreal to cut back on expenses for a year or two because we need the capital that is available on the market. This government will not do that.

Mr. Speaker, may I call it six o'clock?

Mr. Deputy Speaker: It being six o'clock, I do now leave the chair.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

Mr. Broadbent: Mr. Speaker, in addition to establishing directing guide lines on investment policy both in the private and public sectors, the New Democratic party would establish a prices and incomes review board which would have the power to authorize or prohibit price increases proposed by companies in a monopolistic or oligopolistic position in our economy. Members of both the old parties have frequently been amused by referring to what they call "socialist myths". All of these I would like at some time to debate with them, but this opportunity will present itself on another occasion. However, I would like to point out to them that they, too, have their myths. The most notorious of these myths is that we live in what they like to regard as a free enterprise economy. The truth is that we live in an oligopolistically dominated economy.

Hon. members, of course, do not need to take the word of a socialist for this; they just need to read the work of almost any contemporary economist. Perhaps they should begin