

Federal-Provincial Conference

Many other questions may be asked and I am sure will be asked in the future, questions that are essential and must properly be asked in the discharge of our duties in this House and in the country. For example, where does the question of labour come in? The Prime Minister talked of reducing certain user fees, which I believe amount to an infinitesimal fraction of one per cent of spending. He should bear in mind that on the same day the Minister of Transport announced the reorganization of his department. This announcement included the statement by the minister that there would be increased user charges to pay for certain costs incurred in connection with departmental services.

We are also interested in knowing something about the type of sanctions that are being mentioned. Are they sanctions which can be applied in an equitable way? What form will they take? How effective and efficient will they be?

• (2:30 p.m.)

I conclude with one solemn note of warning to the government. The unemployment that is being created by the application of certain types of government policy is of the cruelest and most uncivilized type because it involves to a large extent those who are at the bottom of the economic totem pole. The hard core of the poor and the disadvantaged, the dispossessed people, those who almost permanently inhabit the land of poverty, the suffering, the deprivation and the social breakdown which will accompany this method of dealing with inflation will have repercussions which will be experienced for many years to come.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, the Prime Minister's statement demonstrates that the government is playing out to its final conclusion the fiasco of its anti-inflationary policies. Members of this party have warned the government repeatedly that they were confusing symptoms with the disease and that in attempting to deal with inflation on a shotgun basis they were going to create even more problems than the one they were seeking to solve. We have contended repeatedly that it was an over-simplification to suggest that the economic difficulties in this country were due to too much money chasing too few goods. We pointed out repeatedly to the government that this country suffered from a maldistribution of income and from a misallocation of its human, material and financial resources. We have pointed out that a blunt axe approach to

the problem would only create unemployment and economic slowdown. Instead, the government has proceeded with its over-all program of fiscal and monetary restraint.

In spite of the warning of the Economic Council of Canada as to what might result, we now find that without having any appreciable effect on the rising cost of living this country is facing a slowdown in the rate of economic growth, is facing increased unemployment, and in western Canada an economic condition which is worse than anything we have seen since the 1930's. It is all right for the Prime Minister to say that he is prepared to put up with 6 per cent unemployment in this farcical fight against inflation, but that is not much consolation for the man who is unemployed. The Prime Minister should get a slogan which should be: "Help fight inflation by losing your job."

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Trudeau: You did it twice.

Mr. Douglas (Nanaimo-Cowichan-The Islands): I am glad to see that the Prime Minister at least has been convinced that there are very serious economic conditions in western Canada. I am glad that he did not try to tell the premiers of the provinces that the farmers were well off because some of them were riding on tractors that cost \$20,000.

The Prime Minister's statement today indicates, as the government has done in the past, that the entire burden of fighting inflation is to be placed upon the public sector of our economy. It is the governments which are to cut expenditures. It is the governments which are to reduce their services. It is the governments which are to curtail projects. But no word is mentioned about any curtailment of investment in the private sector, in promotion and advertising, in luxury accommodation and in other projects than can be postponed.

The Prime Minister's statement gives us no information as to what this conference decided with respect to trying to stop rising prices. We have been told repeatedly in the last few weeks when we asked questions that this matter would be dealt with at the federal-provincial conference. But it is perfectly apparent from the statement made today that the government does not intend to deal effectively with price increases. We understand that the consumer credit question has been set aside, and that the provinces have agreed to use what persuasion they can to prevent rent increases.