

*Cost of Living*

program in recent days. Perhaps the government now intends to introduce a new form of Lift, whose initials will spell "Lower Incomes for Tomorrow". In any event, the government has admitted it is not able or prepared to deal with the underlying causes of inflation. This was obvious from the lengthy announcement made by the Prime Minister (Mr. Trudeau) a week ago. He was not even willing to talk about the root causes of inflation. I think his speech will be regarded as one of the more incredible documents in Canadian history. To think that a prime minister of Canada would make a lengthy speech addressed to the issue of inflation which did not contain one word dealing with either monetary or fiscal policy! For students of political science, it will be a classical document in the context of the Prime Minister's detachment from these over-riding considerations.

**An hon. Member:** Did you read it?

**Mr. MacDonald (Egmont):** I read it not only once but many times, and the more I read it the more amazed I was. I could scarcely believe that a document of that kind could represent the attitude of a responsible government in the face of the economic disruption which inflation is now causing. Any government member who has read it must be more than a little embarrassed. It is quite obviously not an adequate response. It amounts to the application of band-aids when the circumstances call for comprehensive remedies. While it is very easy for members opposite to criticize the kind of program that this party has put forward, we have attempted to treat the problem with the seriousness it deserves. What we are suggesting is that it is high time, in fact past time, the government approached the problem with some kind of seriousness.

● (0110)

I want to mention a couple of matters which may not have been touched on in the course of this lengthy debate. For instance, I want to talk about the extent to which our increasing cost of living is having an effect on young Canadians. I do not think we have had the opportunity—though I hope there are a sufficient number of independent social scientists who are doing this—to examine the kind of blighted and distorted lives being lived today by young people under the age of 25 because they have been both direct and indirect victims of inflation and unemployment.

This debate primarily centres upon the increased cost of living and the increase in the bank rate, but both of these are additional factors in what I think has been a very difficult time for the young people in this country from coast to coast. For the past, I do not know how many number of months but stretching back at least three years, almost half the number of those who have been unemployed month by month—almost one-quarter of a million this past month—have been 24 years of age or under.

The Prime Minister (Mr. Trudeau) and his government have been quite satisfied to deal with this problem purely on the basis of whether or not a certain make-work program, whether Opportunities for Youth or some form of government intervention in the summer, or the Local Initiatives Program in the winter, is sufficient to reduce to

[Mr. MacDonald (Egmont).]

some degree the amount of social turmoil existing among young people in Canada.

No amount of window-dressing or breast-beating on the part of government representatives can avoid the fact that there are, and have been for more than 30 months, hundreds and thousands of young people in this country who have been very badly dealt with. One has only to move about the larger urban centres to see in and out of manpower offices and other employment agencies the number of disappointed, depressed and disillusioned young people who have found that, in spite of training and preparation to be productive in society, they have not been given a useful role because this government has not been willing to take seriously its responsibilities of economic management.

We in this chamber are attempting in this debate to tell these young people that there is a better way, that there is an effective alternative to the kind of mismanagement and blundering that they have been witnessing in the past few years. A government that attacks merely the effects of inflation is no longer good enough. What we must have, and I feel must have very shortly, is a government that is prepared to examine the real causes of inflation in this country and, even extending beyond that, in the international community.

I do not think any of us would for one moment say that shortage of supply is not part of the problem of inflation today. It is obvious that in certain goods and commodities there is a shortage of supply, some of these shortages being directly created by earlier government policy. We could also go on to say that a good deal of our problem is compounded by successive devaluations of the U.S. dollar in the international money markets, and the ride-down in which our dollar has participated along with the U.S. currency. We could also say that there is abroad, because of the continuing situation, an inflationary psychology very difficult to deal with, very complex and pervasive.

We could even talk about the alarming rise in consumer demand not only in this country but in a number of increasingly developing countries. Some of this has been triggered by the increasing ability to consume as a result of greater productivity in a number of countries. I can think of two countries that not many years ago were not even mentioned when it came to highly developed economies—Japan and Germany. We could also talk of the way we have inflated demand through the excessive promotion of goods and services by the mass media.

All speakers today could have spent hours and hours listing the causes of inflationary pressure. What we do not need is someone like the Minister of Finance (Mr. Turner) or the Prime Minister to lecture us on what the causes are. What we need is a government willing to take its responsibilities seriously, to believe that while it may not have the whole answer to the problem it is willing to tackle the problem directly and to do more than simply make additional payments through welfare or old age programs, no matter how beneficial each may be in turn.

The government should have a monetary and fiscal policy and be prepared to deal in some kind of over-all and comprehensive way with an incomes policy. It should be prepared to co-ordinate its own expenditure and revenue programs with those of other levels of government and