

will not fall on them. This is the crucial point we are discussing: what is the unacceptable level of unemployment?

Mr. Coates: 6.7 per cent.

Mr. Benson: The level was higher when the Tories were in power.

Mr. Alexander: It is interesting to note that leading economists have criticized the government's policy and have stated that rising unemployment, now at a six-year high, is too big a price to pay. That is a very simple statement and it comes from very learned men. They are not my words. Leading economists say that rising unemployment is too big a price to pay. The government's policies have brought about phrases such as "threat to stability", "very dangerous", "ridiculous plans". All these are being uttered by economists to indicate that Ottawa's policies have the effect not only of reducing employment but of curbing the development of our economy as well. The challenge of growth is ever present in our minds, yet this government ignores it completely.

I conclude by quoting a portion of an article in the *Toronto Telegram* of April 21, 1970, written by Peter Thomson. It reads in part:

While Mr. Trudeau has been criticized for the build up of his office staff and the Privy Council office he has not added the type of people who are highly qualified in the art of economic forecasting.

If a 6.7 per cent unemployment rate and a 128.9 consumer price index are any indication, the Trudeau dilemma may well become his Achilles heel.

[Translation]

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the no-confidence motion put today by the Official Opposition is worded in an exaggerate and partisan way, but it deals with problems that concern all Canadians, and rightly so: unemployment, inflation and the rising cost of living. Besides, the federal government is well aware of those problems. As a matter of fact, it is almost the only one to have devised a policy and brought forward remedial programs, even though it is not the only one responsible for the unemployment now prevailing and so often referred to today.

Unemployment is eroding areas—and somebody mentioned the province of Quebec a moment ago—where the lack of investments is mostly due to today's unsteady political and social climate. Investments are the key to economic progress and for the most part they

Anti-Inflation Policies

must come from outside the province. Bomb threats, disorderly protest or expressions of separatist tendencies based on illusions or extreme, white-hot and blind nationalism will not attract them. They will return when the province is administered by a stable and strong government determined to stay within the Canadian Confederation which undoubtedly serves the interests of all Canadians.

Mr. Speaker, this afternoon, I listened attentively to the speech the Leader of the Opposition (Mr. Stanfield) gave to support his motion and I must confess that I was not much impressed. The Leader of the Opposition spoke only of the ill effects of unemployment and an increased cost of living for some categories of people. He confined himself to the role of a prophet of doom. In fact, he did not bring forward any solution capable of fighting inflation and reducing unemployment except that he made some general considerations on the need for closer cooperation among the federal, provincial and municipal governments.

Mr. Speaker, this shows that it is always easier to criticize and demand instantaneous cures for all economic difficulties than to suggest effective solutions to settle those problems which furthermore are not exclusive to Canada, but which more or less affect all the nations of the free world.

We are now obviously experiencing some economic problems, as are all other countries, but perhaps to a lesser degree. If all the economic sectors are willing to take pattern by the Canadian government and accept its suggestions, that is to cut prices and wages, I think that before long the conditions will be corrected and our country which has known for several years an unprecedented development, will again make headways. We will then be in a position to maintain the level of our exports, which have known an extraordinary growth during the past 10 years, totaling \$14.5 billion in 1969, while maintaining competitive prices and a high productivity rate.

The Minister of Finance (Mr. Benson) also pointed out this afternoon, in a clear and concise manner, the dangers of inflation and the urgent need to fight the continuing increase in prices which threatens our economy. He also mentioned the links that do exist between inflation and the fight against unemployment.

The federal government is well aware of its responsibilities in this regard and is particularly worried about people on fixed incomes,