

Alleged Failure to Improve Economy

the premier of a province in one of the slow growth areas of Canada. Quite contrary to the terms of the motion before the House, he has not only failed to support the selective measures we have proposed to promote regional development and reduce regional disparities, but he has gone further and proposed the very opposite approach. He has contended that we should make a massive cut in taxes, which would provide the most direct and immediate stimulus to those more wealthy areas of the country least affected by slow growth, and only indirect and retarded stimulus to other regions.

As a result of this series of debates on economic policy stretching over the past month and a half, it should now be crystal clear that the three opposition parties are united only in their opposition to the government elected by the people of Canada. In every other respect they are sharply divided, resembling nothing so much as the scene at the Tower of Babel. Each party advocates policies for resolving our economic problems that are strongly opposed by the other two, and which command little or no support from the Canadian public.

It is becoming increasingly apparent that we have undergone the adjustment process essential to bring inflation under control, relatively quickly and relatively effectively. Now, our major concern must be to find ways of maintaining the resurgence of economic growth presently underway without incurring renewed dangers of inflation.

Mr. David Lewis (York South): Mr. Speaker, the Minister of Finance (Mr. Benson) spent some time satisfying himself that the opposition parties do not agree with each other. That must be a discovery he made last night. Every other intelligent person in the country, and I want you to notice, Mr. Speaker, I said every other intelligent person, has known that to be the case for a long time. Let me say to the Minister of Finance one very simple thing.

Our criticism of the government and I speak only for my colleagues and myself, is that it has refused to undertake the only kind of policy objective that is humane, decent and just in any democratic society, and that is the objective of full employment. That is our first criticism.

Our criticism of the government's economic policy is that it is all tied up with inflationary theories and has deliberately created unemployment. Our criticism of the government is that even now its attempt to steam up the economy is held back by advice which it gets from the Governor of the Bank of Canada, from the Deputy Minister in the minister's own department, and from other people, all traditional, orthodox out-dated economic thinkers, who hold that the unemployment does not matter. They believe that any speed-up of the economy has to be undertaken slowly, and that you must always have a pool of unemployment in order to avoid the disasters of inflation.

Let me say another thing frankly, Mr. Speaker, that no one in my party is unaware of the fact that a full employment policy puts pressure on prices. Indeed, anyone who knows anything at all about economic history knows that the price curve has gone upwards steadily

[Mr. Benson.]

for two or more centuries as a result of the expanding economies of the world. There is no way, and I grant it immediately, in which you can have a full employment policy and not have some pressure on prices. It has never happened.

Mr. Sharp: Why not?

Mr. Lewis: The Secretary of State for External Affairs says "why not". It is not likely to happen because the way in which you expand the economy and have full employment creates certain pressures on prices within the economy. The fact that you are living in a world of exports and imports which affect your economy brings about some pressures on that economy, and the choice society has to make is either the evil, hurtful, harmful choice of massive unemployment and massive loss of production as a result of that unemployment, or the humane choice of a full employment policy and finding means of compensating those who are hurt by an extensive degree of pressure on prices.

Mr. Sharp: Just like a little pregnancy.

Mr. Lewis: No, it is not like a little pregnancy. The minister's mind is in the bedroom. I ask him to bring it back to this Chamber. And I say to him, Mr. Speaker, and to the government that there are ways of compensating those who are hurt by inflation. It is much more sensible to get the extra production, from which the government gets extra revenue which it could use to compensate the old age pensioners, the welfare recipients and the people on low incomes, who are the only people hurt by the rising prices. The government would probably have something left over from the revenue it gets from the added production that full employment produces. This would be the preferable course, rather than destroy the lives of people, which is what unemployment does, and increase the poverty culture in this country, which is what unemployment does, and harass whole families which is what unemployment does.

My condemnation of the government, therefore, is that it deliberately chose the cruel and inhumane policy instead of a policy that deals with people, that is concerned with the welfare of the 20 per cent or 25 per cent now living below the poverty line, in addition to compensating those who are hurt most by rising prices. I say to the Minister of Finance that there are ways of curbing price increases, and I make no apology of suggesting that direct price controls may in some cases be necessary. The government ought to have the courage to impose them, although I recognize some of the administrative difficulties. I know that will immediately lead the Minister of Finance to say that organized labour ought to agree to a freeze or a lowering of its demand for increased wages.

I reject that as a general proposition because it assumes that the level of wages of all workers is adequate at any given point, that it is just at any given point, and that workers obtaining \$1.50 \$1.75, or \$2. an hour must be kept within the 6 per cent level which Dr. Young suggested. I reject that as further inhumane