

*Economic Policies and Unemployment*

ment expenditures. No doubt, as the recent report of the Auditor General points out and as the recent report of the Public Accounts Committee demonstrates with respect to the *Bonaventure*, there is needless and wasteful government expenditure. No doubt there are areas of government expenditure which could well be curtailed or deferred in an inflationary situation. But Benson's bludgeon doesn't permit this kind of selectivity.

• (12:50 p.m.)

If there has been an absurd lack of discrimination and selectivity in the application of cutbacks to government expenditures, when one comes to examine the imbalance between government cutbacks and private sector cutbacks the situation is absolutely ridiculous. This government has obviously accepted the theory that is so assiduously propounded by many of the less trained minds in our business community, that the spending we do collectively through government for hospitals, roads and schools, is harmful to the economy, while the spending that we do as individuals is good for the economy whether we spend it on snowmobiles, shoes, skis, colour televisions, or trade last year's car for this year's car. This type of private spending is healthy spending, according to the government. We in the New Democratic Party say that it is socially and economically irresponsible to demand, as this government demands, that the public sector of the economy bear the majority, indeed almost the totality, of the burden of sacrifice required to reduce inflationary pressures.

The policies employed by the government have led us into a system where there is an outrageous imbalance in our priorities; a system where we are lavish in the production of things that add little to social advancement, while at the same time there is a terrible squeeze in those goods and services that are provided collectively. Assuming that the economy is overheated and that some restraint is required, it would be more rational to selectively pace our private sector investment as well, particularly private sector investment of the relatively less valuable kind mentioned just a moment ago, rather than to cut back on education, social services and health services which are absolutely essential for our economic wellbeing.

But the federal government has allowed and, in fact, encouraged the private sector to increase its less socially useful expenditures and its access to the money market in

Canada, the very same money market on which the federal government competes for the same funds. I could go into an elaboration here, Mr. Speaker, of the precise policies which the government has employed but I see that time will not permit me that kind of detail. The result of these policies has been that we are faced with a superabundance of private goods but a famine of public goods. This has led to a tremendous distortion in the allocation of our resources.

I am not arguing that in every instance public spending must take priority over private spending. It is as absurd to insist that public spending always and in every instance has priority over private expenditure as it is to continue the present policy. Rather, I am saying that we require the establishment of some over-all spending priorities, public and private, and that once these priorities have been established we should then selectively apply anti-inflationary policies to reflect the priorities. In that way, necessary and healthy expenditures, both private and public could be continued, even in some instances increased, while unnecessary and inflationary expenditures both public and private could be curtailed.

If selectivity is required in sectors of the economy, it is equally required in the various regions of the country. It is nothing short of stupid to apply the same anti-inflationary devices in areas of the country such as Manitoba, Saskatchewan and the Atlantic provinces, as are being applied in British Columbia, Alberta and Ontario. Mr. Bourassa has told the government this; Mr. Schreyer has told the government this; Mr. Thatcher has told the government this; Mr. Robichaud has told the government this; Mr. Smith has told the government this and Mr. Smallwood has told the government the same thing. But the government of Canada refuses to listen. No wonder the tensions within our nation continue to grow. No wonder they continue to grow when those areas which contribute nothing to inflation are being treated as though they are contributing. The Saskatchewan economy, for example, is on the verge of depression, if not actually in one, and yet it is still obliged to suffer federal anti-inflation measures.

In summary, this government has attempted to halt inflation by aiming broad axe slashes at the very base of our progress. It has had neither the sensitivity nor the intelligence to apply its anti-inflationary measures selectively with respect to sectors of the