

*The Budget—Hon. J. P. Côté*

about as much conscience as a fox in a chicken farm.

The Minister of Finance (Mr. Sharp) took exception to what the Leader of the Opposition said in a debate on October 4 last in connection with the necessity of allowing slack to develop in the economy as a deliberate part of government policy. When the Minister of Finance referred to "slack" in his speech he meant unemployment. The minister tried to backpedal when he recognized the disastrous implications of his statement but he was unable to do so. This is what he said as reported on page 2809 of *Hansard*:

It has been a really quite successful transition except for one thing, Mr. Speaker, and that is that the rate of increase in costs and prices is still much too high. I feel that we must—and we will—find some way to bring this inflationary movement under control even, if necessary, by letting the economy develop a little more slack for a year or two while price and cost increases taper off. We would certainly prefer to avoid the sacrifices of production and income which this would, of course, involve, but if we cannot collectively and individually exercise the restraint that is called for in wage and price increases in the present situation, then there would appear to be no escape from an essential cooling off period.

The only possible interpretation here is that as a matter of deliberate government policy there is to be a slackening in economic growth and an increase in unemployment. Indeed, the increase is upon us since approximately 5 per cent of the labour force is at present unemployed. Yet these are the same hon. gentlemen who, when in opposition, wrung their hands and cried havoc for two years while the former Conservative government was wrestling with the unemployment created by its Liberal predecessor.

Talk about hypocrisy. This sort of attitude is as hypocritical as a funeral director trying to look sad at a \$10,000 funeral. The fact is that we overcame the unemployment left by the Liberals. Now hon. members opposite are deliberately creating it again. I repeat what the Leader of the Opposition said on the occasion of his participation in the debate to which I have already referred: We will not accept that kind of policy. My hon. friend went on to say:

—surely there is some more civilized way of achieving price stability than by slowing down the economy and deliberately increasing unemployment.

Certainly there are more civilized policies which could be followed. The economic council has put forward certain recommendations. Here again the minister and his colleagues, who were so harshly critical of the

former Conservative government for not following advice, take a most peculiar attitude toward the recommendations of the council. Remember, this is a body which the government itself set up; it was a brainchild of the Prime Minister. The Minister of Finance now tells us he cannot see his way clear to accepting its advice. He found that the views of the council were pessimistic. As a matter of fact, the views of the council were, if anything, optimistic. The council wanted the minister to fly by instruments; instead he is flying by the seat of his pants. These are the harsh, simple realities. Painful though it may be to advert to them, it must be done.

Unemployment is running at 5 per cent of the labour force in spite of a drop in the labour force. Lay-offs are taking place all across the country. Where does this lead the man we so often hear described by the hon. member for Verdun (Mr. Mackasey) as "the guy with the lunch bucket"? The Prime Minister and the Minister of Finance tell us everything is fine. The Minister of Finance is an incurable optimist. If he fell from a skyscraper he would say, passing the 30th floor: So far, so good.

In the meantime the cost of living continues to increase. Taxes go up and will go up again next year. Every time we look the other way another department is added to an already bloated administrative machine and another minister to the cabinet payroll. There are 28 of them now, I believe. The number of persons employed in the civil service increases at the rate of 1,000 a month. The Minister of National Revenue (Mr. Benson) optimistically says he hopes to limit the additions to 5,000, with 2,000 going immediately to the post office. What a hope!

As has been said so many times during this debate, the government has indeed lost the confidence of the people of this country. It has certainly lost the confidence of members on this side of the house, and if members on the other side did not allow their partisanship to blind them they would support the amendment which is to be voted on this evening.

[Translation]

**Hon. Jean-Pierre Côté (Postmaster General):** Mr. Speaker, I did not choose this place in the order of speakers which allows me to take part in the debate right after the hon. member for Yukon (Mr. Nielsen) and, moreover, I have no intention of answering him, because it is not my practice to make partisan speeches.