

Control of Inflation and Unemployment

importation of boots and shoes, textiles, heavy technical equipment, freezers and appliances from other countries? All these factors have affected the consumer market to such an extent our factories have had to lay off people.

Ask your contractor, and he will tell you of people who have to pay interest rates of 10, 12 and 14 per cent to get a roof over their heads. What has this government done about putting any kind of control on interest rates? Not a thing! We have not had so much trouble since we lifted the ceiling on bank rates. I know the other side of the story too. If we had not allowed interest rates to rise, money would have flowed into other countries. Surely, however, Canada could have sat down with the United States and said, "Let's make a North American effort to see if some control cannot be put on interest rates". These are some of the things you learn when you talk to the manufacturer.

I would have liked to compliment the Minister of Manpower and Immigration on a couple of things as far as the manpower offices are concerned. In the Guelph-Kitchener-Galt area they have an excellent office which is doing a good job. I also wanted to thank him for the free telephone service instituted. However, there are also some things that are not working well and are indirectly related to this motion before us. The government is cutting down on staff in local offices which are being hamstrung by this fact. I would suggest that if staff is to be cut that should be done at head office rather than in the area where staff is needed the most. Next, I would mention the counselling service. I know of cases where people have been counselled to go into a line of work for which they are not suited or which is already overcrowded. These things should be looked at very carefully.

Now, I think the government has a moral responsibility with regard to companies which come into Canada and buy up existing Companies. A factory in my area which had been operating for 40 or 50 years was sold to a large American company which operated it for about a month and then closed it. About 300 or 400 people were put out of work. No attempt was made to try to relocate them in other employment. I maintain that when a foreign company comes into Canada and buys out one of our old, established companies there is a moral obligation to the people who have worked their whole life for the firm. However, these companies do not seem to agree; they just buy it, close it up and say,

[Mr. Hales.]

"See what you can do to find a job". I think this is a place where the government could help. I know of another company that is buying out a firm which has operated in our area for many years. The Guelph plant is to be closed and moved to another city.

We have mobility insurance which enables the department to pay travelling expenses for an unemployed person to go to another area. Would it not be more sensible to go to a firm which is contemplating moving "Continue to operate in this community and we will subsidize you to a certain extent." The department could use the money which would have been available to pay the transportation costs of the employees moving to other communities. It is very difficult for people to be transferred when they have obligations in their own community. I think the manpower department could have a talk with the new buyer. The firm I have in mind employs 400 people and if it is closed they will be out of work. The factory will be moved to an area 50 miles away. These are some of the factors the government should think about which cause unemployment.

I said, Mr. Speaker, I would not use statistics since that is all we have heard this afternoon. Let us talk some common sense about the effects of unemployment on these communities. In the Guelph area on February 3 there were 1,760 people unemployed, an increase of 1 per cent over January and I expect that the next report will show another increase of 1 per cent. Here we are in the golden horseshoe of Canada, the Guelph-Kitchener area—

An hon. Member: And Stratford.

Mr. Hales: —and Stratford, a highly industrial area where we should be moving ahead and have the lowest unemployment of any part of the country, yet we have 4.9 per cent of the labour force registered for employment this month. If this is the situation in one of the greatest industrial areas of Canada, what is it going to be like in other areas? I am sure members from Quebec, Newfoundland and western Canada will dwell on this at great length.

So, Mr. Speaker, I am going to conclude by saying what I said at the beginning. The problem is one of taxation, taxation and more taxation to the point where the manufacturer is just about to say, "I have had it; come and buy my outfit. I do not care whether you are from the United States or any other country, buy me out. I cannot stand this taxation any