

Anti-Inflation Act

that the blanket agreement signed not later than today in respect of a \$77 million fund, of which \$45 million will be provided by the federal government for the servicing of industrial parks and also for fishery parks, is a good example of cooperation with the Quebec provincial government?

Mr. La Salle: Mr. Speaker, the hon. member is referring to a sizeable grant announced by the Department of Regional Economic Expansion, I believe it was yesterday or the day before, for projects in the province of Quebec. This is very good news indeed. I would remind the hon. member just the same that it would have been better in my view if such agreements had been signed five years ago.

Quebeckers are asking themselves, why did this government wait until it was on the brink of bankruptcy, it brought the nation so near to a gigantic bankruptcy, into so dangerous an economic quagmire, before it started announcing day after day a series of grants that should have been announced four or five years ago, as we were then pressing for such measures. Of course I accept this grant announced today by the Minister of Regional Economic Expansion (Mr. Lessard). Of course I welcome it. My only regret is the government did so because it was forced to.

Mr. Lachance: This has been achieved, it is an extension.

Mr. Lapointe: We have granted \$300 million over the last five years.

● (2122)

[English]

Mr. Derek Blackburn (Brant): In my opinion, Mr. Speaker, and I think in the opinion of members of my party, this is a very important debate on the Anti-Inflation Act, its regulations and the board. For the first time we have seen the government actually planning the economy in advance. But unfortunately its planning was wrong. I do not want to be one of those who says "I told you so", but members of this New Democratic Party suggested it was wrong two and a half years ago.

What the government planned deliberately has not only increased unemployment in this country and, consequently, increased the misery of many of our citizens, but it has not solved the basic problems it was supposed to solve, namely, the problems of inflation. This government has all kinds of precedents to follow. The United States, for example, tried controls in the late 1960s or early 1970s, but wage and price controls failed in that country. This government did not learn a lesson from that failure. We heard the words of President Carter on television the other night during his State of the Nation address to the United States Congress. He said he does not believe in price and wage controls because they do not work.

This government across from me now is committed to controls until at least April 14, and it intends to continue some kind of control mechanism well on into the year and perhaps beyond into 1979. This is its intention in spite of the lesson we should have learned from the United States.

[Mr. Lachance.]

I do not profess to be an economist, but it seems to me that when you have a totally unplanned economy and you are on the upswing is the time to attempt to dampen things through fiscal and monetary mechanisms. When the economy is on the downswing, as it has been in this country for the past two and a half years, that is the time when you loosen those monetary and fiscal measures. This Liberal government has done things the other way around.

According to the government everything was wide open during the early 1970s. Its advice was to make the fastest buck possible; get things now because in two, three or four years' time it will not be possible. We are now experiencing a restrictive economy with tight money, yet the government insists on continuing controls.

What does this mean in human terms? Let us get away for the moment from what is said by the great thinkers, the great legislators, that great Prime Minister (Mr. Trudeau) and the bureaucrats. Let us consider this at the grassroots. I do not wish to be too parochial by speaking just about my own constituency of Brant because this controls program has adversely affected most of the country, but let us look briefly at what these controls have accomplished in that area of Canada which is supposedly wealthy, with traditionally low unemployment, a high cash flow and a lot of economic activity.

As a result of the inverse or negative planning of the Liberal government, we have in the city of Brant an unemployment rate of 12 per cent. If you combine that area with the county and the Six Nations Indian reserve you will find an unemployment rate of about 15 per cent. Is this really what the government intended to do to the riding of Brant, or to any other constituency in this country? I can only draw the conclusion that this was intentional, that the Prime Minister was so preoccupied two and a half years ago with inflation that he was suggesting that we must suffer the consequences of controls and live with unemployment. He could then say to the young people of this country that if they could not get jobs they should go some place else; they should go to a foreign country.

The fundamental fact is that in western European nations, where governments plan in a positive way—and I do not refer just to those with social democratic governments—the rate of inflation and the rate of unemployment are both lower without controls. Yet the Prime Minister insists on holding on to the outmoded and outdated concept that the only way the economy can work is through controls.

● (2132)

I recall a very great opportunity I experienced back in the autumn of 1975 when I marched in Brantford with local labour people. At that time we realized that controls would not work and that they would be unequally applied. We knew some people would escape all the controls and others would escape part of the controls as far as income was concerned. We knew those on fixed incomes, such as disability, war and old age pensions, would be hurt. Also we knew those on wages and