

*The Budget—Mr. Perrault*

da's economic welfare is everyone's responsibility, including that of the opposition. It is in part the responsibility of other levels of government, provincial and municipal. We do not have in Canada a unitary state of the kind they have in Britain, for example. We do not have a unitary state of the type they have in Sweden. It is impossible under the constitutional powers vested in the government for Ottawa unilaterally to bring into effect all the economic measures they would wish.

**Mr. Korchinski:** Bring that up in the next federal election.

**Mr. Perrault:** I asked a question about my own province of British Columbia. Is Ottawa responsible for the 300,000 man-days of labour lost in British Columbia last year in industries primarily under provincial jurisdiction, and the 11,800 man-years of work because of strikes under provincial jurisdiction? Not a word has been said by the opposition here about the responsibility of the trade union movement in Canada, of business, of municipalities and of provincial governments. There is an inspired attempt to blame Ottawa for everything that is wrong, but when times are good the provincial governments and other levels of government take the credit.

It is in part the responsibility of the business community, some of whom talk about the need for rugged, free enterprise during prosperity and actively seek government intervention when the economy slows down. This fight against unemployment is in part the responsibility of the trade union movement and their leaders who represent the labour force of Canada. Inordinate demands on the economy by labour and management act to retard economic progress.

In a free society, one which all of us profess we would like to maintain, a society with a maximum degree of freedom, even national governments with their powers are not able to decree full employment. The opposition knows this; they said so in 1961 and 1962. I am not going to go back to those days, but the speeches are on the record. We could have full employment overnight if Canadians would accept the kind of direction over their lives which would be unacceptable to the great masses of them.

**Mr. Woolliams:** Don't talk nonsense.

**Mr. Perrault:** Does the opposition assume that the Canadian people would like to have a national work force office established, giving orders directly to the unemployed men and saying to them; "You are going to a job in the Northwest Territories on the six o'clock train, or else"? Is that the way to solve unemployment? There is full employment in certain dictatorial states. Is that what we want? Does the opposition assume that a national government is able to pull magical financial levers to bar U.S. inflation from Canada, the kind of inflation which the NDP council of economists admits comes from the U.S.?

Do we really believe that federal efforts can affect the amount of lumber required for houses in the republic to

[Mr. Perrault.]

the south? Does the opposition really seriously suggests that there are not good workers out of work in many parts of eastern and western Canada because housing starts are down in the country to our south? I know that my friends directly opposite me, the Socialists, talk about Sweden being the home of social democracy. Let me read the following into the record.

**Mr. Korchinski:** Your leader is one.

**Mr. Perrault:** It reads:

This Scandinavian country once put full employment first—and paid no heed to resulting inflation.

Now, in a dramatic turnabout, Sweden thinks it is better to let unemployment rise than to risk heavy inflation that could lead to a money crisis.

Reasons for a switch to a new policy become clear when you look at Sweden's inflation problem in recent years—

Result: higher costs, which quickly were reflected in higher prices. Inflation pace in Sweden climbed to nearly 5 per cent a year—

Sweden's labour government, faced with a looming crisis that could force a devaluation of the Swedish currency, decided to put its currency first—and accept a higher jobless rate.

**An hon. Member:** What is their rate?

**Mr. Perrault:** It goes on to read:

As expected, the clamp down took hold. The jobless rate has risen . . . double that of past years and the highest unemployment in Sweden in the postwar period.

And yet government officials and labour leaders have accepted it all with scarcely a whimper.

Reasons for the acceptance are very easy to find. Labour costs have come under control. Prices are almost stable.

**An hon. Member:** Tell us how much.

**Mr. Perrault:** It continues:

Main idea behind the new employment policy is to create job opportunities by making labour more mobile—transferring workers from districts with unemployment to area where employers need workers—

In these and other ways, social hardship due to higher unemployment has been held to a minimum.

A social democrat from Sweden said as follows:

You can't really cure or prevent unemployment by inflationary policies. We know that from our own experience. A much more subtle approach is needed to avoid both inflationary over-employment and chronic underemployment.

I am not saying that because they have had a certain experience in Sweden we should sit on our hands and say that everybody is in the same boat. I think that much of our unemployment today stems from an increasingly automated industry.

**Some hon. Members:** Oh, oh!

**Mr. Perrault:** Increasingly, I think, the fear exists that automation, the new technology and cybernation have not as yet led to the evolution of a system which enables benefits which flow from these processes to find their way into the pockets of all these people. When large numbers of men and women are laid off because of automation, and a slack economy exists which does not