

The Budget—Mr. Rodrigue

income brackets, to spend their money wisely. He also asked provincial and municipal governments, as well as school boards, to postpone some of their projects.

Therefore, we are not the only ones who realize that the Canadian economy is having a hard time. Others had already predicted those troubles. However, when it comes to remedies, they do not dare accept them and claim, for all kinds of reasons, that they will not work out. Instead of calling upon the public on this occasion, the minister should have called upon those who control the country's economy and the officials whose responsibility it is to see that it functions properly.

In fact, who caused these problems which are now plaguing the population, that is increased prices, inflation, or what else? Would it not be more proper to call a spade a spade and just call that lack of purchasing power, lack of cash? Is it not the Canadian government which in the first place caused our present situation, that is to say the progressive rise of prices resulting to a great extent from the constant increase of interest rates and taxes over the past few years? The 11 per cent tax on building materials has contributed to, an abnormal increase of construction costs, which have indirectly eliminated any hope people in the lower-income bracket might have to eventually own their homes, a legitimate hope of all Canadian citizens.

On March 22, 1967, when the Parliament of Canada passed Bill C-222 abolishing the ceiling on interest rates, it contributed to speeding up the growth of inflation which has now been with us for several years. To justify the abolition of the ceiling on interest rates, it was claimed that leaving individuals or organizations to set their own rates would attract into Canada more capital for construction and industrial development. It was also claimed that this decision would draw more foreign capital for the development of our natural resources. Money is scarce, everyone agrees. However, there are still people asking where to look for funds and how to go about getting them.

Not more than 40 years ago, it was said that we had to have gold reserves to guarantee the currency, otherwise none would be available. Since then, we have not heard that old tune because it has been a long time since gold played any part in the domestic monetary system. It is still being used, but less and less so, to settle the operations of internation-

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al trade. There again the need for changes was realized, because some thought has even been given to establishment of an accounting system to deal with international trade. New terms were found to make an impression on the people. Now we hear about gold-paper and special drawing rights.

There are still some people who pretend not to understand, who are offended when we ask the government to review social security allowances or to adjust them according to the cost of living index.

Moreover, the trade policy of the government has been very weak in the last few years. We accumulate surpluses in some economic sectors. Our grain and dairy products exports are decreasing and, as a result, farmers find themselves in an unfortunate financial situation.

In order to keep its foreign markets, the government must subsidize the sale of grain with public funds.

As for dairy products, the conditions are worse, because the Canadian Dairy Commission collects \$1.25 per hundredweight on all non quota surplus production, which I feel is nonsense. The government policy concerning subsidies should be the same for all farm products.

Another field in which the government is delaying its decision, is that of the textile industry. In June 1969, the Minister of Industry, Trade and Commerce (Mr. Pepin) promised the labour-management associations that he would publish a white paper on that industry. Briefs have been submitted by the Canadian Textile Institute and by the CNTU but it seems that nothing happens.

In the meantime, there are more layoffs in the textile factories in Beauce, especially at Saint-Georges. Other towns in Quebec, such as Saint-Jean, Saint-Hyacinthe, Drummondville, Magog, Valleyfield, Granby, Sherbrooke and even Cornwall, Ontario, have to face greater unemployment because of the lack of understanding of the government and of its delay in establishing a realistic policy for the textile and footwear industries.

Mr. Speaker, may I call it six o'clock?

[English]

The Acting Speaker (Mr. Béchard): Is it the wish of the House that we call it six o'clock?

An hon. Member: Six o'clock.