

The Budget—Mr. Saltsman

Therefore, I move the following motion:

That the motion be amended by deleting all the words after "that" and substituting therefor:

"this House deploras the abysmal failure of the government to make any budgetary proposal to effectively stimulate the Canadian economy with a view to an early substantial reduction of high winter unemployment and to alleviate the economic plight of pensioners and other Canadians in receipt of incomes below the poverty level, as described by the Economic Council of Canada".

● (4:10 p.m.)

The Acting Speaker (Mr. Laniel): Hon. members have heard the motion put by the hon. member for Edmonton West (Mr. Lambert). The hon. member for Waterloo.

Mr. Max Saltsman (Waterloo): Mr. Speaker, the budget serves to confirm something which has been obvious to most observers for a long time. It confirms that Canada's economic objectives are in tatters and that the Trudeau government has abysmally failed to solve some of the serious difficulties in this country.

When the Economic Council of Canada set out the goals for this country, stable prices, full employment, steady growth, and a viable balance of payments, everyone was in agreement that these objectives could be achieved with some kind of intelligent approach to economic problems. What happened to these objectives?

Let us deal with full employment. The unemployment situation in Canada is disgraceful. No words can describe the damage done by this government. We have the highest level of unemployment of any industrialized nation in the world. That is some record, but this government has managed to achieve it.

Mr. Stanfield: And they have only started.

Mr. Saltsman: Let us hope they get stopped in a hurry.

As for growth, again the record of Canada is worse than that of any other industrialized nation. The government tries to manufacture figures to show that we are getting something like 7 or 8 per cent growth, but it does not say how much of that figure is the result of inflation. The other thing the government does not say is that the remaining growth shown in those figures results from the burgeoning population. If we want to compare our growth with that of other nations, the key is in the per capita comparison. It is amazing how a government could have shattered the economy so effectively.

There may be some members on the other side of the House who will say that I have just taken two of the goals, and that the government has been more successful with the others. Well, let us take stable prices. The government maintains that prices have risen less rapidly in Canada than in any other country in the world, except Finland. It is true that there has been a marginal improvement in prices but the question to be asked is, at what cost? What kind of price do we pay for a marginal improvement? It is true that prices have been held down marginally, but the government will not be able to do

[Mr. Lambert (Edmonton West).]

that in future because the lid is coming off now. The Prices and Incomes Commission has turned out to be a major fiasco. It has not been effective. Prices have been held down only in some sectors that were vulnerable to pressure. For instance, banks have not held down prices. In the last three years, their profits have increased by almost 75 per cent. There has been failure in the area of stabilizing prices, Mr. Speaker, and there is very little to be proud of regarding that. Any marginal improvement has been achieved at enormous cost to the sectors.

We do not have a viable balance of payments. When a government is preoccupied with trying to reduce the value of the dollar, when it is embarrassed by the \$4 billion and more it has in reserves, that is not a viable balance of payments situation. One of the difficulties with the balance of payments in this country is the slow growth of our economy. Unemployment is diminishing economic activity and because of our dependence on branch plants from the United States there is a slowdown of imports. Our policy of tight money, which fortunately is being relaxed now, and of high interest rates, has brought money into Canada that was in large measure speculative and was not necessary. The so-called improvement in our balance of trade has not been good. It cannot be sustained and is an embarrassment to us at this moment.

Unemployment has cost us a great deal, Mr. Speaker. Rather than try to give you my views or my figures on this cost, I should like to quote the words of a federal official as reported in the *Globe and Mail* of June 17, 1970. The article reads:

Unemployment may cost Canada \$5 billion this year in lost production and the cost of providing welfare payments and job retraining for the unemployed, federal officials say.

This does not begin to put a dollar value on the human costs involved in job loss and disrupted family life. Nor does it include relief payments by the provinces and municipalities.

The article goes on to mention the hidden unemployment which does not show up as a statistic. The reference is to people who would have been in the labour force and part time workers who would have been glad to work had employment been available. This editorial concludes by indicating that such lost production cannot be recovered.

One would have thought there would have been an outcry in the country as a result of this terrible record, but I regret to say that such has not been the case. The government's suicidal economic lunacy is often camouflaged by events. At the same time that the budget was brought in, all Canadians were relieved to learn that Mr. Cross had been released and all attention was focussed on this matter. Very little attention has, therefore, been paid to the budget or to the economic policies of the government.

But, Mr. Speaker, the matter of Mr. Cross, the province of Quebec and the budget did not stop there. This budget was designed to take some steps to deal with the difficult unemployment problem in Quebec. An idea was advanced by the Premier of Quebec but was not incor-