

Price Stability

● (4:10 p.m.)

Let me put on the record just what has happened to the cost of living in Canada in recent years. These figures can be found in an interesting discussion of government policy, both monetary and in relation to prices and incomes, prepared by Professor Grant Reuber of the University of Western Ontario. I am sure the minister has these figures in his possession. In 1966 the cost of living went up 3.6 per cent, in 1967 4.1 per cent, in 1968 4.1 per cent, and in 1969 despite the government's alleged program to deal with inflation, the cost of living went up by 4.6 per cent.

That inflationary spiral is continuing. While the government is conducting its so-called campaign against inflation, unemployment is rising at an alarming rate. Let me use the figures for the same month of each year so that nobody can argue that I am trying to exaggerate the situation or to cook the figures, as the Prime Minister (Mr. Trudeau) suggested the other day when questions were asked of him. Let us take the figures for the months of March during the last four years. In March, 1967, 5.3 per cent of the labour force of Canada was unemployed; in March, 1968, 6.4 per cent of the labour force of Canada was unemployed; in March, 1969, 5.7 per cent of the labour force of Canada was unemployed, and in March of the present year 542,000 people, representing 6.7 per cent of the total labour force, were unemployed.

Increasing unemployment is a direct result of the government's policies which are supposedly designed to deal with inflation. The government's policy for dealing with inflation, and with respect to which the proposed committee will function, is one of voluntary restraint. Let me put on the record what the government and its key officials have said about this policy. I quote from a story by Victor Mackie in the *Winnipeg Free Press* of December 23, 1969:

Prime Minister Pierre Trudeau warned Canadians Monday they must join with the federal government in fighting inflation with greater vigor in 1970 or run the risk of a devalued dollar, a destroyed middle class and soaring unemployment.

We have got both higher inflation and soaring unemployment.

The Prime Minister is quoted further:

"In 1970... we have no choice but to fight inflation..."

"We can only get tougher, we will not get weaker," he promised as he sought to impress the press conference with the determination of his government to cope with inflation.

"Some say the government will get frightened if unemployment goes up as we fight inflation. If they think we will lose our nerve they are wrong. We will not," he said.

He said in the same interview that he would not be afraid of a 6 per cent unemployment rate. He was not afraid, but we now have an unemployment rate greater than 6 per cent. A report in the *Globe and Mail* of February 3, 1970, about a speech of the governor of the Bank of Canada, Mr. Rasminsky, says as follows:

Louis Rasminsky, governor of the Bank of Canada, defended Canada's anti-inflation measures yesterday by saying that without the restraints, the situation would have been worse.

The newspaper report goes on as follows:

On the cost side, the evidence is no more encouraging. Average weekly wages and salaries in Canada continue to show a year-to-year gain in the range of 7 to 7.5 per cent, which was greatly in excess of the trend of productivity increases—

Then the governor is quoted as saying:

The Prices and Incomes Commission has recently taken an important initiative, which deserves the full support of the whole community.

In other words, the governor was speaking of policies of restraint. The chairman of the Prices and Incomes Commission spelled out what these policies mean in an interview with David Crane, as reported in the *Globe and Mail* of April 24, 1970. The newspaper report says as follows:

Asked if, following the failure to reach an accord with leaders of organized labor on voluntary restraint, a program including controls was being considered, Mr. Young said people would have to wait and see—

Mr. Young publicly attacked leaders of organized labor in a Calgary speech earlier this month for their refusal to support the restraint program and said they would consequently have to accept some responsibility for growing unemployment and declining industrial production in Canada.

In his speech today the minister regretted that the two major Canadian trade organizations, the Canadian Labour Congress and the Federation of National Trade Unions, rejected the government's urgings for policies of restraint. Although the minister compared increases in the cost of living that have taken place in various countries—including Great Britain—and in Canada, he did not compare unemployment rates, saying he did not have those available when asked about them.

Well, I happen to have them here. My source is the International Labour Organization Year Book of Statistics for 1969. The seasonally adjusted unemployment rates are set out in it. It lists the percentage of the labour force unemployed in 1969. These are the rates for some of the major industrial