

Canadian Economy

[English]

The Acting Speaker (Mr. Turner (London East)): Order, please. The hon. member for Pembina (Mr. Elzinga) has the floor.

Mr. Peter Elzinga (Pembina): Mr. Speaker, I wish to deal with the first aspect of the motion brought before the House by the Social Credit party. The part I am interested in reads:

That this House considers the government has lacked foresight and leadership in the conduct of the affairs of Canada and should be blamed for its failure to fulfil its promise of a fair and just society and to prevent the deterioration of the social climate . . .

When one observes that one is overspending and debts are mounting, generally this is the time to restrain spending and look seriously at ways to stabilize, and even reduce one's debt. Yet sound personal thinking and government rationale apparently are quite different.

In fact, government mismanagement has reached such extremes that a Canadian youth would have to stretch his imagination to the breaking point if he were to try to visualize his country as one that had a stable let alone decreasing cost of living. How could he be expected to understand a society which was strike-free, with a crime rate under control, with no expensive subsidies and privileges, with reasonable levels of income tax, and a monetary system in which a dollar will buy at least a quarter's worth of goods?

It would be great if youngsters knew "inflation" as something that filled balloons and bicycle tires; if "economy" meant "saving" and if "efficiency of government" and "dignity and self-reliance" were not just antiquated phrases they do not understand. Instead, they are encouraged to believe that man is so clever today he can ignore past experiences, and that once respected principles are no longer valid. Then they wonder why mankind is not happier today and if, perhaps, some element influencing that happiness is missing. After all, there is a great difference between cleverness and wisdom. And in the area of wisdom the government leaves a great deal to be desired.

The function of government in promoting Canada's economic growth is to encourage a climate in which initiatives and incentives can operate for the good of individuals and society. To ensure that the Canadian economy will serve the common good of all Canadians it is necessary to combine economic growth, price stability, taxation equity, and regional development. This would not reject the need for government control or participation in specific areas, but it would require that the state not stifle the ability of Canadians to make their own decisions within the framework of social order and economic justice. It needs imaginative government action directed toward unleashing the potential of the people themselves to put the economy on a sound footing.

The major social and economic problems facing Canada today are those disastrous twins, unemployment and inflation. The government has not succeeded in stemming the relentless inroads it is making into the lives of all. Piecemeal and fragmented activity cannot overcome unemployment. Make work programs such as the Local Initiatives and Opportunities for youth, even though some of their projects are beneficial to a few communities and individu-

[Mr. Deputy Speaker.]

als, are merely temporary stop-gaps that simply cannot be considered as an organized attack on unemployment.

We need long-term, realistic guidelines, something conspicuously absent in many Liberal government policies. Some guidelines have been set by the Economic Council of Canada, but left largely ignored in their implementation. I ask why the council's sound advice has not been taken by the government? The government has the responsibility of defining a workable national development policy. That plan must begin immediately if the unemployment and inflation dilemma is to be solved. Canada's industrial potential must be thoroughly examined and priorities given to areas where our skills and resources yield the greatest returns.

The Science Council of Canada recommended, soundly, to this effect: that the co-ordination of policies within the different levels of government is essential in order to plan wisely. The economic planning must begin with the co-ordination of the departments of the federal government, and must have definite inter-relationship with the provincial governments, to the benefit of all bodies of the administration. The lack of co-ordination within departments of the federal government is quite evident, especially in the ministries of Regional Economic Expansion and Manpower. These departments tend to pursue their own economic ideals independently, and often in contradiction to the policies of the Department of Finance.

No economy can be really vital without competition and, to encourage it, greater efforts must be made to protect individuals and the public interest from abusive monopolies. It is imperative that the trust of the Canadian people in their economy and in their own abilities be restored to them. They must also be assured that their government is capable of tackling the major economic problems facing the country today. This trust can only be rekindled if the government takes the people into its confidence, outlines to them its strategy and objectives, and is willing to work with every sector involved in order to reach its goals.

● (2010)

The Economic Council of Canada has warned time and time again that public expenditure and taxation trends are accelerating wage and price inflation to much higher levels than is suggested by conventional budget-impact indicators. However, the government refuses to heed the warning.

Public sector growth adds to inflation, but what has the government done to curb its expenditure and growth? A comparative view of the expenditures will clearly indicate how the fires of inflation have been fueled. In 1974 the federal government spent twice as much as it did in 1969, three times more than it did in 1961, and 12 times more than it spent in 1950. If expenditures continue to increase at the rate which they did from 1973 to 1974, they will double in less than three years. This adds up to a daily spending of \$78.8 million, an hourly spending of \$3.3 million, and \$54,000 every 60 seconds.

Almost half of this vast amount of money that the federal government spends comes directly from personal income taxes. The rate which Canadians are now paying has increased by a staggering 13 per cent in just seven years.