

not want to expand because they do not know how much tax they will have to pay. It is simple economics, but the fact is that they are not sure. The whole matter of taxation must be cleared up by this government.

The Minister of Finance should seriously consider our suggestions and recommendations for selective tax cuts. The Canadian Chamber of Commerce will be making the same recommendations this afternoon. Other parties have made these recommendations. We are not suggesting that the government should do away with \$1 billion or \$2 billion in tax revenue tomorrow. However, they should seriously consider reducing taxes, at least on certain levels of income and in certain areas of the corporate community. Perhaps the tax could also be removed from building materials.

The government should set out its goals for 1971. What are the government's ambitions, aspirations and goals? What rate of unemployment will the government tolerate? What does the government consider as full employment? What is the government's ambition with regard to inflation and how much inflation is it prepared to tolerate? How much trade-off is it prepared to give? What are the government's major economic policies for 1971? When we ask the Prime Minister these questions, he throws them right back at us by asking for our suggestions. He refuses to state the circumstances we face and the goals of the government for 1971. Even though the president of the United States has much more power than the Prime Minister, he is not prepared to take that kind of gamble. He tells the nation what he expects and sets out the goals for the American people. What about our Prime Minister?

Mr. Deputy Speaker: Order, please.

Mr. Lundrigan: I will be finished after one more sentence, Mr. Speaker.

Mr. Deputy Speaker: I must advise the hon. member that his time has expired.

Mr. Lundrigan: I suggest there should be a federal-provincial conference, and a review of the economic expansion policies which are causing serious difficulties in the country. They are not doing the job they have been designed to do.

Mr. Deputy Speaker: Order, please. The hon. member's time has expired.

Hon. Paul Hellyer (Trinity): Mr. Speaker, for some months I have been observing with increasing concern the unfortunate consequences of the government's economic policies. I have now come to the conclusion that, notwithstanding the obvious difficulties of a government supporter speaking critically of its policies, I feel that I must.

Some hon. Members: Hear, hear!

Mr. Hellyer: Many of the people I represent have been adversely affected, some of them tragically so. In consequence, Mr. Speaker, I have no alternative but to speak on their behalf.

Alleged Failure to Improve Economy

Technically and financially, the government's policy has been a near total disaster. Morally, it has been a total disaster.

Some hon. Members: Hear, hear!

Mr. Hellyer: More Canadians are unemployed now than at any time since the great depression of the 1930's.

Some hon. Members: Shame!

Mr. Hellyer: As a percentage of the total labour force, our unemployment is the highest of any industrialized nation.

An hon. Member: That is our forward government.

Mr. Hellyer: This is clearly unacceptable.

Some hon. Members: Hear, hear!

Mr. Hellyer: There is terrible degradation attached to involuntary unemployment.

An hon. Member: Those are regrettable side effects.

Mr. Hellyer: Of all the problems that I have had to face as a Member of Parliament for over 20 years, this has been the worst. It has family consequences that are difficult to describe. In the last few months I have received letters from constituents who have lost their homes because, when their employment ended, they were not able to maintain their payments. I have received letters from others who have lost their total life savings. I have received communications from others who have lost their appliances and some who have lost their dignity as human beings. They describe it as a hopeless situation.

In a sense, the present situation is worse than the great depression. At that time, almost everyone was in trouble. There was a kinship and a bond between people who were similarly affected, fellow sufferers. There was no sense of personal failure because the situation was almost universal. It was clearly beyond the ability of any individual's influence. However, today the strongest members of the strong labour unions are better off than they have ever been before. The strongest working members of the middle class are better off than ever before. It is no credit to many of the middle class that the present situation is accepted with such complacency. In my opinion, as a nation we should be ashamed.

• (4:40 p.m.)

But why should we subject ourselves to the situation? Is it all in the name of fighting inflation? If so, and if that is what we believe, we ought to examine the success achieved in that field. On the basis of 1961 equalling 100, the changes in consumer price indices have been recently as follows: 1967-68, 4.1 per cent; 1968-69, 4.6 per cent; 1969-70, 1.5 per cent. On the surface this appears to be a substantial reduction from the standpoint of fighting inflation alone a considerable success. Further analysis, however, indicates that much of the decline can be attributed to unusual reductions in food prices which are almost certainly temporary in nature. Food accounts for almost 27 per cent of the weighted price index. If food