

*Canadian Economy*

Minister (Mr. Trudeau) as telling Canadians that inflation no longer existed in Canada. This was in 1970. In the fall of 1975, former finance minister John Turner said the following: Canada must meet two great economic challenges: to fight against the persistent and well rooted inflation while maintaining a satisfactory level of production and employment. On October 20 of this year, the Minister of Finance (Mr. Chrétien) said this in his economic and fiscal statement:

We must realize that these are difficult times for Canada both economically and politically. But these are also challenging times because Canadians must rededicate themselves to the building of a stronger, more prosperous and more united country.

In the December 9, 1974 issue of the magazine *Les Affaires*, Bank of Canada Governor Gerald Bouey suggested that inflation is caused by a rapid growth of external and internal demand and that our country was beginning to reach the limit of its production capacity.

● (1522)

Mr. Speaker, this statement is quite ridiculous and to claim that demand is higher than production is a real nonsense since for many years, in almost every area, we have known production surpluses which we cannot distribute because consumers do not have a sufficient purchasing power to be able to buy Canadian manufactured products.

The March 3, 1975 issue of *Business Week*—and as you all know, it is a very esteemed magazine—reported that the real problem arose rather from the fact that inventories of unsold products were reaching unprecedented sizes. As a result, they mentioned that this mini crisis, or rather the terrible crisis we are still facing at present would get worse. When one considers statistics, one readily realizes that those statements were quite justified, which brings us to the evidence, Mr. Speaker, that the problem was not as the governor of the Bank of Canada described it on December 9, 1974 when he said the demand was too strong for our lagging production.

As I said, he was completely off the track because the real problem is not to produce but to consume. As a matter of evidence, with a percentage of 10 to 15 per cent of unemployed all year long, our warehouses are full of all kinds of products. Faced with such a production, the consumer can only buy these products with his eyes because his desire to consume depends essentially upon his ability to pay.

It is undeniable that faced with this situation which commands that action be taken as soon as possible by the government, the only attitude to be taken by members of this famous House is to make frank joint efforts without any spite or any partisanship with a view to finding a solution as soon as possible. Besides, those problems we are facing are very important and they would be easily solved if the government and Parliament members would take their responsibilities.

I suggest, Mr. Speaker, that the measures put forward by the government to fight inflation and unemployment and to stimulate the economy are not good enough considering the present state of our economy.

[Mr. Allard.]

As a matter of fact, Canada has never found itself in such a dramatic situation since the great depression of the thirties. Statistics show that since 1933 the consumer price index has only dropped twice, in 1939 and in 1953. Consumer prices have steadily increased for more than 20 years.

As for our dollar, it is only worth half the value it had barely 20 years ago. What about consumer prices? A little example, Mr. Speaker: last September, the consumer price index increased by more than 0.6 per cent and reached a record level of 163.4 per cent compared to the 1971 level, or an increase of 8.4 per cent since last year. Indeed, Mr. Speaker, it is useless to say that in the past six years the cost of living has increased inordinately.

For the information of hon. members I will say that I have here a few percentage figures which I will spare you because everyone is pretty well aware of them. However, I would like to mention a couple: the overall index to December 6 for the last six years registered increases of 1 per cent, 2 per cent and even 3 per cent a year. So it can readily be seen that the necessities of life have reached unbelievable prices compared with what they were a few years ago and, in addition, how small wage earners are being crushed by inflation. Since price increases are mainly—I stress mainly—being felt in vital products it is impossible to escape that devastation. Unfortunately, low income people are of course once again the ones most affected because they must spend nearly all their income on consumer products, food for one thing.

The people of Canada, Mr. Speaker, are wondering whether the government of Canada will one day be able to bring inflation down with the economic methods it is now using. Personally, I doubt it. People are really wondering now whether it seems to want to go that way. Prices are going up at a staggering pace and salaries generally remain at the same levels. Small wage earners are most affected and they are anxiously wondering when that terrible situation will end.

Mr. Speaker, you will agree that patience has its limits. Frankly I doubt that workers can tolerate such a situation much longer. I feel it is high time the government really got down to doing something if it wants to avoid the major problem which could disrupt the whole economic structure of this country. Indeed, old people, the disabled and unemployed are concerned to see the cost of living go up steadily without being able to get a similar increase in their pensions and incomes.

On behalf of the old people of my riding and the Gaspé area I ask the government to take immediate steps to ensure the security and freedom of workers, farmers and all families, and more stable jobs for our outstanding youth who wants nothing more than being able to partake in the development of this beautiful and great country of ours.

Mr. Speaker, given the measures announced by the Minister of Finance (Mr. Chrétien) on October 20, I find that the government has missed a good opportunity to take a well defined position in relation to the unemployed aged from 18 to 30 and those from 45 to 65 who find themselves between two ages—too old to find a job and too young to get old age