

the reports, but in the inexact science of economics they have made an outstanding contribution through their quality and forecasting. Because one does not accept good advice is no reason for criticizing the adviser. I, for one, hope that Arthur Smith's role can be filled with someone who can achieve, in time, his degree of professional skill and integrity. For those of us who have had the opportunity of benefiting from his advice, sometimes appreciating its true value only with hindsight, I would wish this thorough gentleman well in his new endeavours and extend thanks for his service to this nation.

● (4:30 p.m.)

[Translation]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, at the beginning of my remarks I would first like to endorse the previous speaker's remarks in connection with the Chairman of the Economic Council of Canada. I suggest that the latter has fulfilled a most important role and has been exceptionally courageous by submitting truly objective reports and by demonstrating to the government and to the House the true situation in the various areas of our economy. I am convinced that he is a Canadian who has rendered great services to Canada and that we, as Members of Parliament, would be well advised if we always consulted his reports to find what orientation should be given to the economic policy that must be adopted to ensure the well-being of all citizens.

Having said that, Mr. Speaker, I will return to discussion of Bill C-262, which aims to support employment in Canada and which has been introduced in the House in view of the imposition by the United States of a 10 per cent surtax on their imports. Not all American economists are in agreement on the effects of that policy, nor are the hon. members who participated in the present debate and expressed disparate opinions. Each one sees the problem in his own light, doing his best to find a solution.

In fact, an American economist, Mr. John Kenneth Galbraith, formerly a member of the Kennedy administration, stated that whereas the freezing of prices and wages was good policy the surtax on imports could reverse the trend to lower tariffs which has prevailed over the past 30 years. Such is the opinion of one American economist.

In Chicago, Mr. Milton Freidman said that he was deeply disappointed by the decision to freeze prices and wages, and I quote:

Wages and prices are symptoms, not causes of inflation. So far, Mr. Nixon had done well with the economy, and in my view, he has taken a backward step.

Another scientist, Mr. Paul Samuelson, Nobel prize winner in economics, has approved the eight-point presidential program, except the reduction of budgetary expenditures.

Mr. Speaker, these are conflicting viewpoints, but they are still the views of equally prominent American economists. Solutions are being sought in the United States as well as in Canada; economists are being consulted south of the border just as they are consulted in Canada and

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they all express valid opinions. At least, they think they are valid and they advise the governments. And then, after the government has decided in favour of one of the proposals, the others start criticizing.

Now this is democracy, even with the best economists. Politicians are sometimes accused of having a tendency to criticize each other, perhaps even just for the heck of it, which is absolutely untrue, at least as far as I and other hon. members are concerned. May I say in passing, Mr. Speaker, that I do not believe that these people are doing a much better job than we are when they start criticizing each other.

It is a matter of knowing what orientation to choose to ensure a sound administration and enable the people to enjoy the fruit of their labour.

For my part, I still believe that climbing interest rates are the main cause of inflation and the resulting unemployment. We have often asked and suggested that the government take the steps required to reduce interest rates, and we feel that would help reduce the cost of production and place Canada in a more competitive situation internationally.

Mr. Speaker, after that measure was announced, the Prime Minister of Canada (Mr. Trudeau), in his explanation to the nation, stated, and rightly so, that the American surcharge of 10 per cent would considerably reduce the purchasing power of Canadians. I therefore thank him for having thus confirmed what we have said for a long time, namely that any tax results in lower consumer purchasing power. Whether an American or a Canadian tax is involved, when the consumer must foot the bill, it contributes to reduce the purchasing power. Whether it is a federal, provincial or municipal tax, it has for effect to reduce the consumer's purchasing power. He has then corroborated what we said and I sincerely thank him.

Mr. Speaker, this is why on March 15, 1971 I proposed a six months' hoist of the bill providing for a 3 per cent surcharge on personal income tax and corporate tax.

This is also why the Creditistes have suggested on several occasions the abolishment of the sales tax on building materials, a tax which greatly slows down the progress of construction and which contributes to increase unemployment in Canada. And this goes on.

Indeed, we note that the progress of construction has been slackening and that thousands of unemployed report themselves to construction sites to obtain a job. However, those sites are getting increasingly scarce.

If you ask the builders, they will say that the interest rate is too high, that the cost of money is too high, that they can no longer discharge their obligations and that they have to sell their houses at too high a price. That is why there is less construction being carried out.

● (4:40 p.m.)

In the construction field, the situation has grown worse from month to month, particularly in Quebec, and that is one of the reasons why the provincial government has adopted the decree concerning construction which imposes restrictions on the construction workers, when it has been proved that this sector needs, on the average,