

ment and economic slack with no more than marginal effects on current rates of increase in prices and costs.

Before the Economic Council said that, many members in this House had said it, but the government has paid no heed to those warnings. It has gone on like a hippopotamus trampling through a field of tulips in persisting in this program, regardless of the results. I have in my hand a list of economists, including some of the best economists in Canada, who have tried to tell the government exactly what the Economic Council tried to tell it in its review. Professor Arthur Kruger of the University of Toronto called for reduced tariffs and a more vigorous anti-trust policy. Professor Rotstein, also of the University of Toronto, urges the separation of Canadian and United States economic policy. Professor Jack C. Weldon of McGill University says government policy has led to a 12 per cent unemployment rate among Quebec's French-speaking males. He claimed Canada would be better off accepting some degree of inflation rather than fighting it with rising unemployment. Professor Rosalind Blauer of Brock University, St. Catharines, called for a fluctuating exchange rate rather than measures with a heavy social cost. Senator Lamontagne, to whom I have already referred, described the government's policy as "the worst theoretical aberration since the mistakes that preceded the depression of the 1930's."

Mr. Alexander: You could go back even farther than that.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Just to make absolutely sure that the government got the message, the Quebec leader of the Liberal Party, Mr. Robert Bourassa, said recently in Montreal that the Quebec Liberal Party does not accept the anti-inflation policies of the federal government. He went on to blast the federal government for allowing its fiscal policies to be dictated by "mandarins operating in a closed circuit". He said he would do everything in his power to bring about a reversal in federal policy if his party came to power in Quebec.

• (3:30 p.m.)

Just a few days ago the Federation of Mayors and Municipalities met with the government. One of the mayors, Mayor Sidney Buckwold, a former Liberal candidate, reminded the government that urban construction was grinding to a halt. The mayors told

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the Prime Minister and the government that there is a serious unemployment situation in our cities. Is it not strange, Mr. Speaker, that the Economic Council of Canada, a former cabinet minister, the leader of the Liberal party in the province of Quebec, a whole battalion of outstanding economists and the Federation of Mayors and Municipalities are all telling the government of the disastrous consequences of their anti-inflationary policies? The government is satisfied to do nothing about it. It is like the old army joke, everybody is out of step but Pierre.

Some hon. Members: Hear, hear!

Mr. Douglas (Nanaimo-Cowichan-The Islands): The government is still trying to apply the policies of the Herbert Hoover era. The Prime Minister says that unemployment is a regrettable but necessary corollary of its anti-inflationary policy. What the government is really saying is that it is not possible in this country to have full employment and price stability. The government is saying that we have to choose between having galloping inflation or unemployment in this country. Any government that is not able to plan the economy of this country so as to establish a National high level of income and full employment and at the same time a degree of price stability have no right to continue sitting in the treasury benches.

Some hon. Members: Hear, hear!

Mr. Douglas (Nanaimo-Cowichan-The Islands): If the government cannot manage the economy of this country, then they should resign. They did not tell the people of Canada two years ago that the price of trying to halt inflation would be to throw people out of work and slow the economy down to a halt.

Mr. Alexander: They promised a just society.

Mr. Douglas (Nanaimo-Cowichan-The Islands): They promised the just society. It is just so-so! Having failed to either stop the rising cost of living or to maintain relatively full employment, the government is now trying to find a scapegoat. Their program of voluntary restraints has been a colossal failure because prices are continuing to rise, despite all the commitments that were made at the conference on price stability. Price increases have even been made by some of the tycoons who attended the conference, and this has been done with the acquiescence of the government.