

*Economic Policies and Unemployment*

Finance (Mr. Benson), and his minions on the Prices and Incomes Commission, believe themselves to be at war against inflation and they are striking about themselves wildly with any weapon that comes to hand, without regard to the effect. But they are not at war; they should see themselves as being engaged in a delicate operation upon the economic heart of the nation, an operation which requires the discriminating use of the scalpel rather than the indiscriminate use of a bludgeon. The result of the federal government's misconception of its role is to bring the nation to the brink of economic disaster and to push many of the citizens of this nation over that brink.

If I may extend my medical analogy from surgery to pathology, the federal government, rather than treating the inflationary situation, has absorbed itself in a facile, simple minded attempt to eliminate the symptoms of inflation. In so doing, this government has not only failed to control inflation, failed to reduce inflationary pressures, but it has also forced unemployment up to one of the highest rates in years. Today, 66 of every 1,000 people in our work force have no jobs. That is, roughly, in excess of half a million people. Such a situation is completely unacceptable in a modern state by any standard of measurement, be it economic, social or moral.

In the name of fighting inflation, this government has implemented policies which increase waste and injustice. It has calmly and deliberately implemented policies which have increased unemployment as an alleged weapon against inflation. This government has done so, despite the knowledge that even small, fractional additions to the percentage of the labour force without work must mean that thousands of Canadians and their families will have been visited with the misery of dislocation and hardship. The New Democratic Party cannot accept this as being a basis for rational policy. Nor can we accept any approach to anti-inflationary action which treats the public sector of the economy as being less productive, and therefore more easily sacrificed, than the private sector. We simply do not accept that any real solutions to economic difficulties will result from reduction in the public sector to permit even less social discipline than is now evident in private sector responses to the true priorities in the Canadian economy.

Moreover, many of those now being dropped from federal payrolls as an austerity measure are people who were in work which

[Mr. Rowland.]

offered the best real hope of increasing productivity and opportunity for others. They were and are basic researchers and planners. Their efforts were being made in many of the very regions hardest hit now and having the longest history of disadvantage. It is now all too clear that the federal cutbacks have curtailed the very activities in the very regions where more, not less, strength is needed. A basic premise of economics is that failure to spend money on essentially needed progress in capacity and necessary support development is a sure way to risk inflation being translated ultimately into deflationary collapse for many if not all of our people.

To lump essential public service maintenance and investment in social and economic progress for the disadvantaged people in communities with ostentatious investment in non-essentials, such as high rise luxury office buildings or things easily deferred such as the fourth service station on one corner, is neither responsible policy nor is it likely to be effective policy in curing any crisis.

The Economic Council of Canada has made clear its view of the dangers of excessive restraint and blanket curtailment of essential progress. There is, in the economic policies of most progressive governments in Europe, a basic commitment to increases in manpower and development spending specifically as an anti-inflationary measure. It obviously makes good anti-inflationary sense to upgrade the skills of people in order to increase national productivity and capacity. The facts of economic success in a jurisdiction applying such policies suggest that the best reason for adopting it here in Canada is that it works.

But this government is unable to understand such logic. In its war against inflation, it has imposed cutbacks of needed public services such as housing, urban renewal, health services, winter works, and pollution control. The results have invariably been harmful to the wellbeing of this nation, and in some cases the results are absolutely absurd. For example, the increased cost of accommodation is one of the major elements forcing up the cost of living. But what has this government done about that situation? Has it increased the amount of housing stock available in an effort to force down the price of housing? No, it has not. Instead, it has adopted policies which ensure a continuing shortage of supply of adequate housing, thereby ensuring a continuing rise in housing costs.

In short, I am saying that there needs to be some selectivity in the cuts applied to govern-