

Government Administrative Policies

Mr. Basford: Mr. Speaker, may I mention some of the contradictions inherent in the hon. member's remarks. We have heard the Leader of the Opposition (Mr. Stanfield) say that we ought to have guidelines. The minute we bring them in and try to impose a guidelines policy, the hon. member says that is not what we ought to be doing. The hon. member seems totally unaware of the fact that the Prices and Incomes Commission is currently—

Mr. Hees: Mr. Speaker, may I ask the minister a question?

Mr. Basford: Mr. Speaker, I am allowed to speak for only 15 minutes.

Mr. Hees: I said that we ought to have guidelines. The minister knows that perfectly well.

The Acting Speaker (Mr. Béchard): Order, please.

Mr. Hees: I ask the minister to stop talking trash.

Mr. Basford: The hon. member seems unaware of the fact that the Prices and Incomes Commission is currently examining and investigating the recent fantastic figures relating to bank profits. It is inquiring into that situation. There are to be meetings with the bankers to see if the situation cannot be corrected. I noted with interest the remarks—this is really the matter I want to deal with—of the leader of the NDP, the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas). He, with his usual great rhetoric, as well as the hon. member for York East (Mr. Otto), suggested that the Prices and Incomes Commission should pack its bags and go. I would make it clear, as the minister who recommended to cabinet the establishment of this commission and the appointment of Dr. Young, that we have no intention of asking the commission to do that. Nothing has happened during the last year to make me regret either recommending the establishment of the commission or the appointment of Dr. Young as its chairman.

I think the old people of this country, those living on fixed incomes, the weaker people who are hit by inflation and hurt by its effects, would be incensed if they knew that for the past 18 months the leader of the NDP has done nothing in this House or outside it except try to destroy, discredit and negate the efforts of the Prices and Incomes Commission

[Mr. Hees.]

to restrain inflation. I put on record, Mr. Speaker, that this has been the history of the NDP for the past 18 months.

Some hon. Members: Hear, hear!

An hon. Member: Shame.

Mr. Basford: We have endeavoured, as a government, to find new techniques for dealing with inflation and the NDP has done everything possible to put roadblocks in the government's way, to discredit its efforts and to prevent any sort of proper cost restraints being introduced into our economy. This is a matter of record and one can see it happening in the House every day during the question period. We recognize that for some years we have had in this country a very unsatisfactory prices situation. This is true of Canada, of the United States and of all other western industrialized nations. We have been endeavouring to bring the current inflation under control and have actively and vigorously been applying measures of monetary and fiscal restraint designed to curb the growth of inflation in our country.

It was recognized that the pervasiveness of inflationary pressures was so great that we had to find methods in addition to the traditional ones of monetary and taxation policies. We recognized that it would be very difficult to apply traditional methods for a protracted period because there would be adverse side-effects which no one, including members of this government, wanted to see, namely, an interruption of the growth of production in the economy and a temporary rise in unemployment. It seemed to the government that a smoother, and therefore less painful transition back to reasonable price stability could be achieved if a way could be found to cut directly into the spiralling process of prices and incomes increases, with the object of slowing them down more rapidly than seemed possible by using traditional methods.

If we could cut directly into prices and incomes increases it might be possible to moderate government policies of budgetary and credit restraints earlier, and soften some of their more painful side-effects. That is why the government has supported and is supporting the Prices and Incomes Commission's efforts to work out, in consultation with representatives of all major groups in the community, a specific undertaking to be asked of business, labour, other private groups and governments, designed to achieve a substantial across-the-board scaling down of price increases in 1970, and to devise methods