

up with a four-point program, as was mentioned by a member of their party today, that the government had adopted two of the points already and that if they keep on pushing the government will adopt more so it is really an NDP program. The minister of agriculture of Manitoba said about this program:

The federal government did absolutely nothing when farmers went through a depression in 1967 to 1971 but now it is jumping to respond to consumer complaints about high food prices.

Now that the farmers, for the first time in five years, see a little bit of daylight in catching up in the payment of their bills, hoping to get their feet on the ground again, we seem to be responding to another pressure group that suggests that something should be done about food prices.

I suggest to members of the NDP that they had better get back home to find out what their supporters are saying. They are condemning the agricultural program that was announced by the Prime Minister for not being sufficient. Members of the NDP should check whether or not the rank and file in their party are agreeing with what they are doing.

Obviously, inflation is hitting many groups. We have talked about old age pensioners in relation to the indexing of the old age pension plan. The fact remains that inflation is affecting old age pensioners most because they have a meagre nest-egg—some capital that they were able to scrounge together during the period when they worked. To them that was security. Today that security is gone, or is worth very little as compared with its value at the time that money was earned and put away in savings. This is the cruelty of inflation.

With regard to regional disparity, I believe the Prime Minister's statement and the so-called attack on inflation was largely directed at attempting to obtain raw materials from western Canada at a price which the consumer would feel did not reflect an increase. I do not believe people in any one area of Canada or any one economic sector of Canada should be asked to bear the brunt of inflation.

● (0430)

Just as is the case with the farmer right now, with regard to milling wheat we are talking about 10 per cent—

The Acting Speaker (Mr. Laniel): Order. I regret to interrupt the hon. member, but the time allotted to him has expired.

Mr. Kenneth J. Higson (Lincoln): Mr. Speaker, the reason for the continuation of the debate at this hour of 4.30 in the morning is that this country is in a critical situation and the government, with its supporters to the left, is in a state of political prostration, unable or unwilling to cope with the economic problems that beset us or even to try to cope with the crisis in which we find ourselves.

Last January and during the few months thereafter the Leader of the Opposition (Mr. Stanfield) was accused of being too thirsty for power and the opposition was considered to be too anxious to take over the reins of government. Mr. Speaker, if ever there was a thirst for power or a desperate hunger for control of government, it is that

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which we see manifested by the present government and its New Democratic Party supporters.

It was once said that war was too serious a business to be left to the generals. I suggest that the economic destiny of this nation is too serious a business to be left to this Liberal-Socialist coalition of politicians. It is incredible that a minority party, having only one-ninth or one-eighth of the total seats in the House and only 17 per cent or 18 per cent of the popular vote in the election last October, should be in a position to perpetuate the life of an incompetent government by receiving tidbits of legislation in return for its support, thus compromising the principles of two political parties. I am happy that the opposition party of which I am a member is not a party to this type of activity.

This morning the nation is faced with a further increase in the cost of living of 1.3 per cent for the month of August, which is the highest monthly increase since March of 1951. Food is up by 3.2 per cent, for a total cumulative increase of almost 16 per cent during the last 12-month period. And the Prime Minister (Mr. Trudeau) has the audacity to tell us that it was, in effect, in anticipation of the increased consumer price index that this announcement was made to this House last September 4. That type of political fancy footwork might be swallowed by the government supporters but it will not be accepted or believed by the people from where I come.

The real motivation and purpose of that announcement was an attempt to make it appear to the Canadian people that the government, really bereft of original thought, was doing something to solve the economic mess that has been allowed to continue too long, and at the same time throw crumbs to the New Democratic Party in order to maintain itself as the government. I am not saying that the steps announced by the Prime Minister were wrong, although some—like the subsidy to wheat, and the oil pipeline to Montreal—in the light of subsequent announcements have proven somewhat confusing, which only manifests once again the ad hoc and butterfly-thinking of the government.

To be sure, legislation to increase pensions and family allowance assistance to those Canadians on fixed or low incomes and thus feel the real brunt of the government's ineptitude are steps in the right direction, as are subsidies to the milk and wheat producers, although subsidies do not control prices but merely spread the burden. And I, for one, would like to see all of Canada's social assistance legislation reviewed, in genuine co-operation with the provinces and the municipalities, so that effective and curative programs could be brought down to assist effectively Canada's economically deprived, instead of perpetuating a system that for too long has been overlooked.

But the announcement of the Prime Minister to which I referred a moment ago really does nothing to solve the real problem. To our already inflation-prone economy has been added a powerful catalyst with the inflationary expectations of our people. Prices have been rising for so long that people expect they will continue to rise, and thus act accordingly. Unions demand raises above increases in productivity in order to compensate their members for expected price increases. They are able to receive these increases, firstly because they hold monopolistic power,