

contingency. Its assessment on repeated occasions has been that controls, as suggested by the Leader of the Opposition, could not be effective for any meaningful period of time in holding back a worldwide inflationary tide. They learned that in the most economically powerful country in the world, the United States, where they have abandoned their system of controls, as they did on Sunday in Italy, and as they are doing in other countries. On the contrary, the government concluded that by reducing the supply of goods, controls could, in fact, do far more harm than good by putting further upward pressure on prices. This applies particularly to foods and industrial materials, the major source of global inflationary pressures, which are the least amenable to price controls.

Those who have tried controls have found them to be significantly unsuccessful. The United States is now in process of phasing out all price and wage controls, except on health care and petroleum. They have proved to be not only ineffective, but have had the reverse effect of increasing inflationary pressures by creating shortages. The British economy appears to be confronted by disaster as a result of widespread labour strikes in opposition to wage controls because of lack of adequate consensus.

● (2140)

In January, the year-by-year increase in the Canadian Consumer Price Index of 9.1 per cent compares favourably with the increase of 9.4 per cent in the United States and 12 per cent in Britain. In December, the rate was 10.3 per cent for all OECD countries, illustrating beyond question the international nature of inflation.

The Canadian government has already pressed forward with those particular measures which are feasible in order to slow the rise in prices and to provide relief for those Canadians least able to protect themselves. It has already implemented an impressive list of measures which fall into this category and it has won commendation for having provided the strongest and most solid program in the estimation of the Organization for Economic Co-Operation and Development.

What has it done? Let me repeat.

It has indexed most of our social security payments, including old age pensions and family allowances, to protect the recipients against the effects of inflation.

It has indexed tax exemptions and rate brackets to eliminate the automatic tendency of taxes to take a higher and higher fraction of people's real income during periods of rising money wage rates.

It has reduced certain sales and import taxes, and subsidized certain commodities of particular importance in the consumer budget thereby directly reducing their prices.

It has set up the Food Prices Review Board to focus public attention on pricing practices in food distribution. It has restrained the price of oil products sold in the domestic market.

And above all it has encouraged an increase in the supply of goods available to meet the extraordinary growth in demand both at home and abroad, thus attacking the problem at its roots.

Now, there are other matters I should like to be able to deal with this evening but time does not permit. I have

asked Senator Langlois if he would mind, in his speech tomorrow, dealing with the question of oil and he has kindly agreed to do so. I should like also to have dealt at some length with the item in the Speech from the Throne concerning the government's intentions in the field of science. In this regard I would point out that on Friday last, the Minister of State for Science, Mrs. Sauvé, paid tribute to the work of Senator Lamontagne, Chairman of the Special Senate Committee on Science Policy, and other members of that committee. While I am sure that Senator Lamontagne would hope that the government would go further than it has gone, the fact is that it has made an important start, one that certainly reflects the view of the committee itself, that is, that the government must act as quickly as possible to eliminate uncertainty and provide Canada with the federal institutions and policies so badly needed to face the challenges posed by technology and science for the seventies and over the long term.

There are other matters dealt with in the Speech from the Throne that one would like to mention, but as I have said, time does not permit. However, during the course of this debate I hope that other senators will take advantage of an examination of the Speech from the Throne to see the extent to which the government is prepared to act in the interests of Canada. Now whether this is prodded by the public or by the NDP does not really matter. After all, a Parliament made up of different political parties is expected to receive contributions from those parties. If the government is prepared to accept wise suggestions, no matter where they come from, then, well and good.

There is a further matter I should like to touch upon before I make a brief reference to my concluding points, and that is a matter referred to the other day by Senator Robichaud.

[Translation]

I should now like to deal briefly with a point which is becoming a matter of concern for us and which will remain so as long as it has not been clarified; namely, the cultural independence of Quebec. You are surely aware that this was one of the main issues in the last provincial election campaign in Quebec and that it cropped up again recently when, in a forceful speech, the federal Minister of Communications, the Hon. Gérard Pelletier, stressed its ambiguity as well as its dangers for Quebec and Canada as a whole.

Indeed, if one wishes to give to this expression not only a symbolic value but a true meaning and a strict definition, it is a doctrine which will not be easily accepted by those who, like us, have placed all their confidence in a federalism which has always aimed at being economic, social and cultural.

As a Franco-Ontarian who recognizes Quebec as the spiritual home of all French Canadians, and in line with the feeling expressed by Senator Robichaud, I am also concerned about this uncertain situation in which Quebec now finds itself, a situation which could seriously endanger the interests and the rights of French Canadians in the other provinces. Although the separatist threat has been diverted by popular verdict for the next four years, the pessimists and defeatists continue their campaign urging us to erect walls around and, even, within Quebec, under