

*Anti-Inflation Act*

enthusiastic supporters of this kind of new labour contract would be not only business but also labour itself.

Labour is fed up to the teeth with being marched up to the Parliament Buildings and marched up to the offices of management in confrontation. Workers are fed up to the teeth with professional people on both sides who bargain on their behalf, and who make money by keeping the fight going for as long as possible. The people of this country, whether working men, businessmen or general consumers, plead with the government to recognize the fact that the sterile techniques of negotiation today need to be changed radically. This change will be made not by legislation but through leadership which shows how to do it. I think I know something of what I am talking about, and I hope the whole country will know a good deal more of what I am talking about when certain things develop in the next two or three weeks.

● (2120)

The fourth cause of inflation has been the money supply. I do not want to quote percentages because I think they are well known, but the money supply in this country has been controlled as though there was no awareness whatsoever of the relationship between the money supply and goods produced. This year we are suffering under tight money. Just what does tight money mean today? It means the government is only going to increase the money supply this year by 15 per cent. That is called tight money!

What has to be brought to the government's attention is that history in the last 25 years indicates that the use of the money supply mechanism is not the final answer to the monetary and fiscal problems of governments. This is a factor, but a very minute one. The government or Bank of Canada should be given a formula and told to keep with it. That formula should be based on the real gross national product interest plus the velocity of the increase in goods and services. With that two-point formula they should be able to maintain the money supply in relation to the gross national product and in that way take the cost push part out of the equation.

Let me go to the fifth point which is land costs. More correctly this should be called the urban policy. One of the great factors pushing up costs today has been the rush of people from the rural areas, along with immigrants, to our big cities. There are many reasons for this. When your growth rate in the cities is greater than a certain percentage you get this sudden increase in costs which shows up most dramatically in the cost of land, in the cost of your transportation systems and so on.

We have been talking about this for 20 years and the country is still lacking an urban policy that is concerned with the geography and people, and is concerned with the relationship between housing, transportation, and recreation. These are the things about which we have been talking.

The Association of Mayors and Municipalities has been passing resolutions for years and years, but always the government has taken the stand that it cannot do anything about this. The government has always taken the stand in respect of such resolutions from the Association of Mayors and Municipalities that it can do nothing about them because the city is the creature of the province. Boy, what

a creature the city of Toronto is; what a creature Vancouver is! And the populations of Calgary and Edmonton are greater than the rural population. These are some creatures, including Halifax in Nova Scotia, and Winnipeg in Manitoba. We should get away from this crazy notion that these huge cities are just babes in arms, creatures of the provinces, with all these rising costs affecting the economic level of the cost of living of all the people of Canada, otherwise we in the federal parliament are not doing our duty.

Our duty is related to the economic health of this nation, keeping people employed and getting maximum production and wealth, and seeing that there is an equal distribution of that wealth. We must come up with an urban policy and, believe me, there are lots of opportunities available to keep the minister in charge busy for some time finding out what it is all about, taking his mind off the refurbishing of his office and doing what he is supposed to be doing.

With all the legislation in place, including the Housing Act and CMHC, and with all the experience we have gained from many countries, land costs could be brought under control. In that way we could be of assistance to the municipalities instead of there being the hurdles that every provincial government, the federal government, and every individual have to face today in the attempt to develop in the big cities.

There is no evidence whatsoever in any of the literature I have read in the last few years to indicate that the Government of Canada has a clue as to how to use the fact that Canada now has a floating exchange rate. The government does not seem to realize that once you let your dollar float in relation to every other currency, instead of inflation being a world problem it becomes a domestic problem. You could not find a single economist on the whole face of this earth who would deny the truth of that statement.

Once you let your currency float in open relationship to other currencies then the power to control inflation comes right within the national power. How do you use this power? I have not heard one speech of all those speeches the minister has delivered, from one end of the country to the other and around the world, that even attempted to deal with this opportunity.

If you take a look at the inflation rate in Great Britain and the inflation rate in the United States and in Canada for a period of 30 years, you will find that it corresponds exactly to the rate they have deflated their currencies, and this is a very well documented point of view. I have not seen one single sign on the part of the advisers to the government, the Bank of Canada or any of the ministers to indicate that they are even aware that this tool to fight inflation is right in their hands.

I hope a budget debate comes along soon so that some of us can put forward some of the information that is available to any person who has the time to read it. The way the government operates it is too busy running around showing itself to everybody and being visible. It is too busy wondering what the press is thinking about it to have any time to read, and certainly to think. I would hope in the interest of the nation that the government would consider dedicating the time of at least one of its ministers to getting around to looking at the basic documents, and I am thinking of the 1964 report on finance by the Porter Royal