

● (3:20 p.m.)

If we want to see how bad inflation is, let us consider interest rates. The long term government rate as of last week was 7.77 per cent, 1 per cent higher than last year. On 91-day bills it was 7.63 per cent, and on 182-day bills, 7.72 per cent. Both these rates are about 2.25 per cent higher than last year. That is what the Canadian saving public thinks of the government's fight against inflation. It has discounted those intentions, so far as interest rates are concerned, by a further 2 per cent. That, Mr. Speaker, is a measure of the government's credibility.

The cost of living increases. At the end of September, 1969, the Consumer Price Index stood at 126.6. At the end of September, 1968, it was 121.1. It is up, not by four points but by about 4.5 per cent. On the same date in 1967 the index stood at 116.6. Is it any wonder that our pensioners, low salaried people and those who are not in economic power groups are complaining, when in the last couple of years we have seen a ten point spread in the Consumer Price Index?

The wholesale price index was 283.4 at the end of August, as against 271.6 for the same date in 1968, representing an increase of 4.3 per cent. Those who are interested in the Canadian public and housing have only to look at the *DBS Weekly* report of Friday, October 24, to see the index on building materials. Taking 1961 as 100, the total index for residential building materials as of September, 1969, was 138.9. In other words, building materials have increased 38.9 per cent since 1961. Since last year they have increased by a total of 4.3 per cent. For non-residential materials the index over the last year went up by 4.9 per cent. I am speaking of building materials only. If one adds to that index the astronomical increases of labour costs that go into building construction, one can see what has been happening.

Just consider the wage settlements of those who can shield themselves from inflation by being members of economic power groups. Consider the building strikes in the city and how they have been settled. Look at the rate increases provided for the next two or three years in Toronto. While the steel strike in Hamilton was being settled, carpenters of that city settled for a wage rate that will take them to over \$7 per hour in 1971. Is there not any sense in this regard? Can it not be understood that all this is self-defeating?

The government has placed a great deal of reliance on voluntary restraints. This after-

noon the Minister of Finance tried to twit the Leader of the Opposition (Mr. Stanfield) about the statement the Prices and Incomes Commission made today with regard to the investigation into the steel price. He suggested that the opposition was not sincere in its concern about what has happened. The Leader of the Opposition and all members on the Conservative side of the House have asked for some form of voluntary restraint. Nevertheless, the events of the last week have shown that the pious exhortations of the Prices and Incomes Commission that business, management, labour and government should enter into voluntary restraints were rejected out of hand by the CLC and the CNTU.

We then asked the Minister of Consumer and Corporate Affairs what will happen now, because this rejection is a torpedoing of the Commission. I think all members of the House are legitimately concerned about what will happen if the Prices and Incomes Commission, the vehicle selected by the government to fight inflation, must be rescued after being torpedoed on its first attempt at being effective; because that will not be the last time the commissions efforts may be thwarted. Yesterday the Minister of Consumer and Corporate Affairs said, "The increase of 6 per cent in the steel price will be looked into", as though there would be some form of examination to see if prices could be justified. Let me read in part what the Prices and Incomes Commission said about this in its first press release:

While the Commission is still engaged in seeking a set of commitments from private groups and government, it is, therefore, not in a position at this time to render a judgment on what is, or is not, justified in a particular case.

What the Commission can do, however, is to examine particular situations in order to bring the facts before the public, not for the purpose of condemning the parties concerned, but as a way of illustrating the kind of wage and price behaviour which has become very widespread in recent years.

This is what we intend to do in the case of the steel industry.

No one should think of this investigation as a trial leading to a verdict.

The public, Mr. Speaker, has been misled by the government.

Some hon. Members: Hear, hear.

Mr. Lambert (Edmonton West): The Minister of Consumer and Corporate Affairs, by his attitude and demand for an investigation, has led the public into thinking that the Steel Co. of Canada and other, similar companies will have to justify their price increases, and if