

*Increased Cost of Living*

• (4:10 p.m.)

In my opinion, the lesson to be drawn from that anniversary is that, in all our work and our efforts, and this applies to the whole world, we should continue to seek inspiration from the courage and the lucidity shown by that American president.

This date of November 22, 1966 will also be remembered in our parliamentary history by the attempt of our Conservative friends to introduce a motion to consider the problem of a pension increase, before the Minister of National Health and Welfare (Mr. MacEachen) could bring before the house a motion to that effect.

Mr. Speaker, since you ruled that motion out of order, our Conservative friends have been frustrated, as they were prevented from launching a debate they hoped to turn to their political advantage. Let us leave our Conservative friends to their problems. The New Democratic Party has won lately, at the expense of our Conservative friends, the sympathy of a great number of Canadian voters who, reluctant to support the Conservative party in such great numbers, are wondering whether the New Democratic Party would not provide an alternative as an opposition party in the country.

On this occasion, a motion has been introduced by the New Democratic Party, that is, an amendment to the supply motion, and the speech of the N.D.P. leader (Mr. Douglas) was supposed to clarify the basic position his party intends to take in the present situation in Canada.

Our friends of the New Democratic Party chose inflation as their theme. But contrary to the previous motions which offered a familiar solution, the arbitration of prices, the N.D.P. amendment now raises the problem of disparities in income with regard to that same inflation problem.

I should like to make three brief comments on this stand taken by the New Democratic Party.

The first one will be as follows: The problem of inflation was and still is serious, but what we will soon have to deal with in Canada is not so much inflation as the prospect of an economic recession. Moreover, this has been indicated by many economists in the United States and Canada. I do not know whether the Minister of Finance and Receiver General (Mr. Sharp), in the budget which he is supposed to bring down, will suggest some

[Mr. Tremblay.]

action to curb this economic recession which could occur in the near future, but I think that the motion introduced by the New Democratic Party comes much too late. I know that some attempts were made in March to introduce a motion on inflation, but I think that, at that time, conditions were more consistent with the objective of curbing inflation.

But I submit, Mr. Speaker, that as indicated in the Economic Council report, we must at the present time worry much more about increasing productivity within the Canadian economy, increasing the mobility of resources as well as increasing public investments in some sectors where the social and cultural needs are great.

Therefore, here is my first proposal. We cannot now be concerned with the problem of inflation in an over-all way, although I admit that some sectors of the economy are still experiencing price increases due to special conditions, and I know that the joint committee of the Senate and the House of Commons on consumer credit is studying a special area, where sharp price increases have occurred and still exist.

But I submit, Mr. Speaker, that we should not worry now about the steps we should take concerning the problem of inflation but rather direct our efforts toward solving the problems I have mentioned.

Second, I would like to deal mainly with the text of the amendment moved by the New Democratic Party and also with the explanations given us by the leader of the New Democratic Party. I contend that this amendment relating the inflation problem to that of income structures is at variance with the whole tradition of economic theory as accepted in all the countries of the world.

The inflationary problems are among those which cannot be considered except by an analysis of supply and demand as a whole. The problem of income structures has very low incidence and, as I will point out in a moment, if one wants to consider the problem of income structures in relation to the standard of living, I would say, what has been indicated to us very properly by the hon. member for Burnaby-Coquitlam (Mr. Douglas), concerning the discrepancies in the distribution of income, that such incidence is more deflationary than inflationary. If substantial amounts of income growth are directed to the profits sectors and to the annuities sectors, it is not inflationary, but deflationary. If such income structures are more