

positive action and positive proposals are his responsibility as a trustee for Canadian farmers.

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, at this early hour of 3.15 a.m. the time for partisan politics should come to an end. We have gone far enough. We cannot afford the luxury of party lines on an issue adversely affecting every Canadian. At this time I personally do not care who is in power. What I do care about is that the government in power, whichever it may be, take effective action in curbing this unacceptable and drastic inflationary trend.

However, it is clear that the Liberal government, which happens to be the government at this time even though the average Canadian may rightly think there is no government at all in Canada, is not able to make decisions for the long-term good of the country and is ruling from crisis to crisis, ever fearful of recrimination from the NDP. It is in fact, Mr. Speaker, a government afraid to take a stand, afraid to offer constructive suggestions lest they offend members of the NDP. Even according to the words of a former Liberal finance minister, Walter Gordon:

The role of the Liberal party should be, not just to go along with the New Democratic Party to ensure its temporary support, but to supplant it as a practical progressive alternative to the status quo.

If the country is to survive the present economic crisis which faces it, it must be led by a man who is not afraid to take bold new steps in an all-out war against inflation. It must be led by a man who recognizes that the bankrupt policies of the Minister of Finance (Mr. Turner), which sunk the country into an economic abyss in 1969-70, are no longer acceptable to the Canadian people.

Just as the government was unable to settle the rail strike which it had been given at least seven months to do, once again it has become more than obvious that it is unable to control the cost of living. It is not difficult to criticize the record of the Liberal administration. Nor is it difficult to observe the problems we are facing today. They are both painfully obvious to every Canadian.

As in 1969, interest rates began to rise, as did unemployment. The latest increase in the prime lending rate, the fifth this year, is a classic example of the first steps toward massive unemployment. With the prime lending rate increased, it is only a matter of time for this to be reflected in higher interest rates on consumer loans, higher rates on mortgages and higher costs in housing. The steps which will follow are ones with which we are well familiar and yet go unheeded by the Minister of Finance who insists on taking this course which can only lead to further economic problems compounding the already critical situation.

In the past we have witnessed an attempt to fight inflation with mass unemployment. The hardships that were encountered by hundreds of thousands of Canadians made this price unacceptable. Yet we stand here watching the same government making the same mistake. Housing is already priced beyond the means of nearly every Canadian. The current increase in interest rates will only make mortgages more expensive and will further tax the ability of Canadians to pay the already staggering usury rates.

Cost of Living

Can the government not see that when the demand for housing decreases, thousands and thousands of contractors across the country are affected? Can the government not see that the suppliers of the materials used in housing will be affected right across the country? Can it not see that the effect in this one area alone will result in a widespread reduction in the sales of every commodity in this country? Here I am taking only one small area of the economy, the area of housing.

What about the resulting effect on our automobile makers who will not have the market to sell their new cars? What about the service industries that will not have the customers to maintain their businesses? There is no area of business nor is there any Canadian who can escape the penalty which will be imposed by this one move alone. Can the government be so blind as not to be able to look ahead at this one problem, or is its memory so short that it has failed to consider what happened in 1969-70? The Liberal government tried to deal with this problem in those years by the traditional, classic methods of high interest rates, tight money and restrictions on expenditures. As we can remember, these policies were to bring on a recession and high levels of unemployment.

● (0320)

Mr. Speaker, the Conservative party has been under continued criticism from both the Liberals and the New Democrats since this government was elected in October of last year. The reason for this is obvious. We have been the only party to offer constructive alternatives to deal with this problem, while the "crisis" Liberals and the "We'll go along with it" New Democrats have hidden their heads in the sand or have offered pious platitudes to the people of this country.

Well, Mr. Speaker, people of this country are fed-up with inaction, they are fed-up with lack of leadership and they are fed-up with two-faced, double-talk from the leader of the New Democratic Party (Mr. Lewis). The hon. member for York South cries at the injustices, shouts at the shortcomings, threatens to the press, excites the people—and then bows humbly to the whim of the Liberal government.

Mr. Knowles (Winnipeg North Centre): If this is a Conservative non-partisan speaker, I wonder what a partisan speaker would say.

Mr. Jelinek: I see the hon. member for Winnipeg North Centre (Mr. Knowles) is getting a little anxious about some of my remarks, but I shall continue because my time is limited.

Mr. Speaker, let us examine briefly how the Liberal administration has constantly laughed and shrugged off the suggestions by the hon. Leader of the Opposition (Mr. Stanfield). In May of 1972, the government refused this party's suggestion to raise the old age security payments to compensate pensioners for the already rising cost of living. Last February, the same government repented and raised the old age security payments by roughly the amount implied in our leader's suggestions. Again last summer, the Minister of Finance (Mr. Turner) ridiculed this party's proposal that income tax be indexed to the cost of living. The minister replied that it would be unique