

Cost of Living

today, and it may be the Conservative party is backing away from that proposition. I am not sure of the state of loyalty in that party toward price controls at the moment. I sometimes think that if, in consequence of the wisdom of the Canadian electorate, the NDP were forming a government, wage and price controls might be one of the things it would consider. The question I ask of the official opposition is this: would they be as enthusiastic over wage and price controls if the New Democratic Party were in power as they are now when they see a prospect of forming the government themselves? I do not think they would.

I say this because wage and price control is not a neutral matter which some board or other is going to impose. Wage and price control is a political matter and the decisions which are made—who shall benefit and who shall suffer—depend to a large extent upon the sympathies of the government in power. I am not prepared to trust wage and price control to either the Conservatives or the Liberals. Wage and price control is as much an instrument of rewarding and punishing in a society as is our tax system, and we have all seen what the government and the opposition have done with the tax system. It is important to remind the people of Canada that the opposition is extremely critical of the government except when it comes to such issues as the corporate tax benefits which have been given to industry. Then, the mask comes off and you see the debate as a non-debate. They are in the same game.

The official opposition had the chance of an election. We gave them that chance a little while ago. All they had to do was vote against the government when these corporate tax changes were introduced.

Mr. Kempling: Tell us about the Polymer vote.

Mr. Peters: Why don't you listen to the argument instead of making one?

Mr. Saltsman: You will have a chance to reply. They talk about inflation and what it is doing to the country. But when there was an opportunity to do something about inflation, like refusing to give this money to the corporations by way of tax benefits and increased depreciation allowances, they declined to take it. It was absolutely the wrong policy for anyone worried about inflation to endorse, because it is extremely stimulating. It is the kind of thing which should be done, perhaps, when there is a depression. If you do it in a period of inflation when you are worried about prices, the only conclusion is that you are doing somebody a hell of a big favour and you don't care about the inflationary consequences.

First of all, the purpose was obviously expansionary, if it had any purpose at all. It would pump more money into the economy. It would certainly not lower prices; there is no evidence that the \$500 million which the government so generously dispensed to the corporations of Canada has led to any change in prices. Prices have not changed one iota. The Minister of Finance is winding up with egg all over his face. The people to whom he has been generous are shafting him right and left. Even before the promised report comes in, they are saying there has not been enough time to assess the situation, that the questionnaire has been improperly worded, and so on.

[Mr. Saltsman.]

If the minister had wanted to reduce prices he would have reduced tariff concessions because prices in the manufacturing industry depend entirely on import prices plus the level of tariff. As long as tariffs are not changed, a low rate of taxation simply increases the profit levels of corporations. This is equally true of the improved depreciation allowances. They are obviously inflationary and designed to stimulate purchases of machinery in the hope of producing an upsurge in the economy. We know what position the government has taken. That is clear. We have all heard what a terrible bunch they are over there, and we acknowledge this, because, after all, we did fight an election upon these issues. But where was the Conservative party when the government was being so generous to the corporations? Where were the great defenders of the people and those who are so terribly concerned about inflation? Did they speak up on this issue?

An hon. Member: Where were you during the Polymer debate?

Mr. Saltsman: I can understand that the Conservative party would like to form the government. Then, if they introduced a wage and price policy, they could be even more generous to the corporations. One has to remember that as industry functions now there is at least some rationale attached to the marketing system, whether just or unjust. If we were to move into a system of wage and price controls we would have the government playing God with people's incomes, and I am not prepared to see the Conservatives or the Liberals play that kind of heavenly role. I have no faith that they would favour the working man over those who derive money from interest or dividends. I am not persuaded that they would be all that sympathetic to the wage earner. Although it is easy to appraise wages, how do you appraise profits, interest, dividends, rents, and where would you stop?

● (2230)

An hon. Member: Why weren't you the lead speaker?

Mr. Saltsman: We have so many members that it is always a problem for us to decide who is going to get up. I realize the hon. member does not have that kind of difficulty. I realize the hour is late, Mr. Speaker, and that there is some rowdiness, which is understandable, but apart from a few throwaway lines I have not yet got to the meat of what I wanted to say. This is due to the harassment I have had from that side which has diverted me from the more serious aspects of my remarks.

We have talked about the cause of inflation. One speaker said it is cost-push, another has said it is a demand-pull, and a third offered what seemed to me the more common explanation that it is totally due to the iniquity of the Liberal party. That is a reasonable explanation. However, if we look at those items that have escalated most in price, we find almost invariably that they are items that we are exporting around the world. The point is that there is no shortage of anything in Canada. There is some inflation that originates outside this country but there is nothing we can do about that.

Really there are two aspects to inflation. First of all, you can deal with problems in which we have some say. But