

Consumer Affairs

indicated a week ago, we will continue to do so and further announcements will be made in this regard.

• (2:10 p.m.)

I am very pleased to announce that Dr. John H. Young has agreed to become Chairman of the Prices and Incomes Commission now being established. Dr. Young is an economist of international stature. He has both the personal qualities and the practical experience that are needed for this kind of task. He has for some years been a member of the faculty of the University of British Columbia and is at present Dean of Arts at the university. I am grateful to Dr. Young for interrupting his career to take on this assignment which is of such importance to the Canadian people.

The names of the other members of the commission will be announced very shortly. In the meantime Dr. Young has already begun to seek qualified members for the staff of the commission so that work can begin without delay.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, there is only one word to describe the conduct of the government in regard to inflation, and that word is negligent. Inflation has been increasing relentlessly since 1966, at least. The rate of increase in prices has been twice as high, some years, as the Economic Council of Canada has suggested is tolerable. Last year, 1968, the consumer price index increased by 4.1 per cent, the highest in 17 years.

Our genial Minister of Finance (Mr. Benson) in his budget of October forecast an inflationary factor this calendar year of about 3.5 per cent. In the first four months of the year the consumer price index has increased by nearly 2 per cent. At this rate the minister's forecast, unfortunately like many of his forecasts, will be wildly inaccurate.

In the face of the continuing increase in inflation the only response that the government made was in its white paper of last December announcing its intention to set up a Prices and Incomes Commission as a study group. The white paper did recognize the failure of established government policies to achieve the general aim upon which we all agree, and that is reasonably full employment associated with a reasonable degree of price stability. The white paper did say in no uncertain terms that the existing policies of

[Mr. Basford.]

the government were inadequate in that respect, but it went no further than to recommend the appointment of such a commission as this.

Furthermore, Mr. Speaker, the government has not done one of the things that the Economic Council has consistently urged should be done to help in this fight,—perhaps in a minor way but yet in a helpful way,—and that is to establish a more accurate forecasting group in the country. Now we have in the country uncontrolled inflation associated with excessive unemployment, particularly in those parts of the country where inflationary pressures are not heavy.

Let me make it very clear that, although I wish Dr. Young well, in the light of the seriousness of the inflation problem, setting up this new group in itself is a ridiculously inadequate response; I have been urging for some time that the government act in cooperation with other segments of the economy to establish voluntary wage and price guidelines, not as a permanent solution but as a way of breaking loose from the inflationary psychology in which the government is caught, because not only have we inflation but we have very excessive unemployment in some parts of the country, and we must recognize that anti-inflationary programs the government is pursuing add to these difficulties, as was recognized by the Prime Minister (Mr. Trudeau) over the weekend upon the occasion of his visit to the Atlantic provinces.

Inadequate though it is to meet the immediate crisis, this commission might hopefully be of some usefulness in considering longer term solutions. Yet it has taken the government since last December to find the chairman; we still do not know who the other members of the commission will be. These will be future exciting instalments to which we can look forward.

The minister today announced the so-called terms of reference for the commission. They really add nothing of any consequence at all to what we already know. In short, today's announcement is proof that the government has a phony war against inflation, just as it has a phony war against poverty; and the enemy inflation is a strong ally of the enemy poverty—the strongest ally poverty has.

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, in spite of the minister's pride in his newly born brainchild I fear that the long labour has provided but a puny