

*The Address—Mr. J. H. Horner*

Inflation began, I think, when we allowed our dollar to go down in value in relation to world currency. Canada and the United States have devalued their dollar by about 40 per cent since 1971. The result has been inflation, world inflation, and the government from time to time attempts to hide under that umbrella. That is not the only reason we face inflation in Canada. Another reason is wholesale spending on the part of the government. This year's estimates, supplementaries included, indicate an increase in spending amounting to 29 per cent as compared with last year. The increase in the staff of the civil service alone amounted to 25 per cent. These wasteful expenditures only spur inflation to greater heights.

Another factor is the government's failure to control the growth of the money supply. In the past, Canada's money supply increased at the rate of about 8 per cent a year. For the past five years or so it has been increasing at the rate of 19 per cent or 20 per cent, so it is no wonder we face inflation today, given sloppy management of this kind. I suppose if we were all law abiding citizens the country would be able to operate on the basis of very little government. But then, of course, we are not perfect. The fact remains that whatever government is in power it should endeavour to manage the affairs of the country more or less efficiently, and the government presently in power has failed to do so.

The Prime Minister suggested that if the income tax amendments had gone through in the right way, all the ills which confront us would have been cured. I remind hon. members that when the white paper on taxation was introduced, the then minister of finance told us it reflected almost in full the recommendations of the Carter Commission—that a buck is a buck. That was his concept. The Carter Commission provided no real answers, in my opinion, to Canadian economic problems.

● (1240)

I disagree strongly with the concept that a buck is a buck. From time to time we see high rates of unemployment in Canada, yet I repeatedly hear that in all parts of Canada we cannot get people to go to work. Surely, some of the brilliant professors we have in our society should examine this phenomenon. Why cannot we get someone to go to work when we have high unemployment? Farm labour is short, the fisheries are short of labour, yet we cannot get anyone to go to work in those industries.

Why is this, Mr. Speaker? It is because people are not given the right incentives by society. I have listened to many TV personalities saying that no one wants to do menial tasks any more. Even the Prime Minister told our young people that they did not have to work. Dairy farms are going out of business because no one wants to milk cows. Four dairy farms a day are going out of business in the province of Ontario and about four dairy farms a week are going out of business in the province of Alberta, some of them major concerns.

I suggest that tax incentives should be offered to encourage people to do menial tasks. The present system really discourages people from doing any real work in our society today. There is a great tendency among people to go after what are called the white collar jobs, the easy or soft jobs in society, leaving much of the productive work

[Mr. Horner (Crowfoot).]

undone. This, too, gives impetus to the kind of inflationary psychology that is abounding in Canada today. We must change our whole tax structure, but not in the manner Carter suggested it should be changed or in the manner the Prime Minister suggested it should be changed. We must change it to give incentives to get people to work, and this will slow or curtail the rate of inflation. We must have more efficient government and less wasteful spending.

In addition the railroads must move our produce to market. The Crowsnest pass rates were set about 50 years ago, but does that necessarily mean they are inappropriate today? If the railways want to move grain efficiently, they can. It is interesting to note that in the years when the railways moved large amounts of grain, their profits were highest. For example, take the years 1971 and 1972, or even go back to 1966 when the railways hauled 800 million bushels of grain and the profits of both CNR and CPR were at a record level. So just because these rates were set a long time ago does not necessarily mean they are too low today.

The railroads are attempting to force a break in what is often referred to in this House as the Magna Carta of western Canada, and it is really shameful that the hon. member in charge of the Canadian Wheat Board and who represents a western constituency is really assisting the railroads to break this long held Magna Carta of western Canada. He is not worried about movement of grain because he fully believes that the price of grain will rise even higher two or three months from now, and that if grain is kept on the farms it will be worth more. Therefore, he does not really worry whether we meet our commitments or not. He is attempting to accommodate the railroads, I suppose hoping that this will further his political career and his climb to the top in the Liberal party. I guess that is his objective; he must have some motive since it is very difficult for a westerner to understand his actions. Why would he work in this way unless he has some ulterior motive such as this?

I am not going to take up any more time in this debate, Mr. Speaker. I urge the minister to divorce himself from the railroads and to get back to serving the people who sent him here as well as the grain farmers of Saskatchewan. I ask him to work towards seeing that they move their products to market. If we lose our present sales we might never recapture them in years to come and somebody else will take them. We must remain a major supplier of grain throughout the world, and we must retain our dependability for supplying grain to the world.

**Hon. Otto E. Lang (Minister of Justice):** Mr. Speaker, in rising to take part in the debate on the Speech from the Throne I should like to say a word, first of all, of congratulation and welcome to the new holder of the office of Governor General of Canada. I think we have been singularly fortunate in the quality of the people who have occupied this office, and I certainly see in the present incumbent the maintenance of this very fine tradition of service to this country.

I should like also to congratulate the hon. member for Spadina (Mr. Stollery) and the hon. member for Sherbrooke (Mr. Pelletier) on their moving and seconding of the Address in Reply to the Speech from the Throne. Their