

The Budget—Mr. Caccia

I would suggest, for the agricultural industry, a registered retirement savings plan with a maximum savings limit of \$50,000. In this way the minister in charge of the Canadian Wheat Board will be able to do away with the guaranteed prices for agricultural commodities, because the farmer himself could accept the liability by setting aside \$50,000 in a registered savings plan upon which he could draw when crops were poor or when prices were low. I believe such a system would create greater self-reliance within the individual in the field of agriculture. It would create less dependence upon the government, which is always a good thing, because governments continually muddle things, particularly this government. I would ask the Minister of Finance to consider this.

The Minister of Finance has said that the budget is good only for as long as he thinks it is good, and that he will bring in another budget whenever he thinks it is wise, in four months, in six months or at some other date. If I gauge it correctly it will be in March of next year, because the farmers then may be reluctant to plant grain and reap the crops to produce food for the world for they will be reluctant to pay the government the income tax they might have to pay.

Those engaged in the agriculture industry are becoming astute businessmen. They do not want to consider their income before taxes. They like to consider it after taxes, the same as any other businessman. So I encourage the minister to bring in a budget next March and to accept this concept. It will do the agriculture industry some good, it will do the millions throughout the world crying out for food a lot of good, and we must consider that seriously.

● (2100)

Mr. Chas. L. Caccia (Davenport): Madam Speaker, the budget that is before us deals with the effects of inflation on Canadians, and it deals also with the measures that are necessary to keep the economy strong in the event of an economic regression which looms on the horizon. I support this approach in our budget because it is a sound one, and also because it faces courageously the issue in which I and most of us in the House believe, namely, that the wealth of one province belongs to all Canadians. This approach also confirms the fact that we, being federalists, do not believe in a Canada consisting of 10 Biafran republics, each one pulling in a different direction. We believe that the basis of confederation is the sharing of wealth wherever it may be found.

As to the accusation that has been made by opposition members of treachery on the part of the federal government, the correspondence that was tabled on Monday by the Prime Minister (Mr. Trudeau) shows how empty was that charge. We all know, as the result of reading that correspondence, that there was an agreement on price reached last March, but there was no agreement on the fiscal policy. That distinction seems to have been missed by many spokesmen for the opposition.

I read the speeches made by Conservative spokesmen since last Thursday, to find out what ideas they put forward. Frequently they spoke about inflation, but they offered very few ideas on how to deal with it. All members of the Official Opposition, down to the last speaker, offered the recurring remedy, which frequently appeared

[Mr. Horner.]

as the main theme of their speeches, of trimming down government spending and establishing an inquiry into unemployment insurance. I ask you how resourceful and how effective these measures would be in fighting inflation? Only the opposition knows. They are silent on where to cut down spending and by how much, knowing that a good portion of the budget is determined by statutory agreements which determine our transfer payments to the provinces, which leaves not much room for cuts. Even so, assuming that this idea would be worth looking at, the opposition has failed to tell the government where to cut and by how much.

Strangely enough the opposition has also been silent on wage and price controls, the great theme that popped up one day in the House of Commons early this year. In February of 1973 the hon. member for Don Valley (Mr. Gillies) advocated a great expansionary budget in the House, and he accused the government of not doing enough to expand the economy. In his opinion, inflation at that time did not exist, and yet that was only a year and a half ago.

Early this year we heard about the other great discovery—wage and price controls. That idea was tested during the election, and perhaps that is the reason why we have heard no mention of it by the Conservative members. I suspect that the reason why they have not come forward with any specific ideas is that they cannot agree among themselves on what should be the economic policy of this country, and how to cope with inflation. They did not agree during the election—their members and their candidates had differing views—and they still do not seem to agree on economic policies and on how to cope with inflation. Witness the fact that if you go through *Hansard*, all you find are proposals to trim government spending and to institute an inquiry into unemployment insurance. What a shame that is, what an ideological bankruptcy! That is all that the opposition can produce.

We Liberals approach inflation in a positive way. We do not believe in wage and price controls. Why do we not believe in them? Because we know that they can be very effective only with regard to certain groups in society, but cannot be applied to others. It is very true that the controls advocated by the Conservatives could indeed be very effective when applied to those who are on payrolls. But how do you control the income of people who make a living from professional fees? How so you stop a professional person from seeing another client? Obviously you cannot. Because wage and price controls cannot be applied effectively to one group in society but can be applied effectively to wages and salaries, we believe that that is not fair, and we say that inflation cannot be fought on the backs of wage and salary earners.

The Tory approach also exempts farmers, and it could not be applied to imports. A situation would develop where prices would remain where they are, that is, high, and incomes would remain where they are, that is, low. This is not social justice. We as Liberals approach inflation along four main lines. First, the reduction or elimination of tariffs on essential imports or products; second, giving farmers, small businessmen and manufacturers the incentives that they need to produce more and produce more effectively.