

Inflation

An hon. Member: Which one?

Mr. Abbott: We do not hear too much these days about wage and price controls.

An hon. Member: Who is the Conservative financial critic this week?

Mr. Abbott: I don't know; they come and go so quickly. The only alternative left is that being pursued by Britain and the United States, namely, a voluntary national effort to gear down the rate of inflation. In contrast to the big problem facing other countries, we have the potential to maintain and even improve our standard of living over the next two or three years. Whether we realize that potential depends on whether we can collectively muster the will to reach a mutual understanding among the various groups in our economy. I quote the following recent words of the Minister of Finance:

● (1720)

No one is being asked to accept a self-imposed hardship. What I am saying is that collectively we will be a lot better off, not worse off, if we co-operate together to moderate our demands on the economy.

Those sensible words were delivered in the city of Toronto not long ago. It is even more likely to be the case if a national accord contributes to moderating all industrial strife and enables us to grow out of the inflationary cycle. There is no simple or quick answer to the problem of inflation. It does no good to criticize the government for attempting to negotiate and discuss these issues with the various sectors of the economy. It does no good to heap scorn and abuse on the Minister of Finance for carrying out the responsible policies in his budget which were only later acknowledged by other countries. Inflation will only be eradicated for all time with persistence and efficiency. There is no way in which governments acting alone can overcome inflation. Everyone has to play a part. It is this consensus the government is seeking. I hope it commends itself to the opposition as our other policies have since the last election.

Some hon. Members: Hear, hear!

Mr. J. R. Ellis (Hastings): Madam Speaker, that was a delightful speech. I can appreciate members opposite applauding it; however, it is too bad the author did not deliver it.

Some hon. Members: Oh, oh!

Mr. Ellis: I am delighted to join in this debate. I have no difficulty in supporting the first 14 words of the Social Credit motion, namely:

That this House deplores the inaction of the government in the fight against inflation—

I think that statement is probably accepted by most people in this country. In fact, I would go a step further. Not only is this government lacking in action in its fight against inflation, but it is becoming its architect and designer. One department that I watch every once in a while is the Department of Public Works which does the architectural and design work for the government. That department is one of the worst offenders. When going through the estimates recently I looked at the figures for

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some of the buildings the Department of Public Works is either building or planning to build. I am not sure, and I intend to find out, whether the government really believes we are going to accept the excuse that inflation caused these figures. Let me quote three or four examples.

A Government of Canada building on Sparks Street, Ottawa, close to this building, increased in cost by over \$18 million, 37 per cent more than originally estimated. The cost of a Government of Canada building in Ottawa known only as No. 8 increased by \$15 million, an increase of 57 per cent. The cost of a parking garage in Hull, Quebec, has increased by 71 per cent. Finally, Government of Canada building No. 3 has increased by \$58.7 million, an increase of 147 per cent. We know that inflation is rampant, we know the cost of construction has increased considerably, but surely we cannot be asked to believe that inflation caused those excesses. Somewhere along the line this government has been pulling the wool over the eyes of the public.

The next ten words of this motion are not hard to live with, either. They have to do with the fallacious pretext that inflation is an international problem. Is it an international problem that the increase in the gross national product is as low as the figures related by my colleague, the hon. member for York-Simcoe (Mr. Stevens)? I do not think so. There is a definite need for increased production in this country. My party has been stressing this for some time. Some of my constituents would like to enlarge their businesses; they would like to increase production and try to stimulate the economy by hiring more people. When they go to the Industrial Development Bank they find they are still charging 13 per cent interest. They still charge that usurious rate even though the bank rate has been coming down. How a small business can be expected to grow when we have a 13 per cent bank rate, I will never know.

Is it the international pressures that are forcing this government passively to condone illegal strikes and actively to support inflationary increases? I do not think so. I do not want my friends to the left, who are conspicuous by their absence this afternoon, to think I am blaming labour for the increases in the Department of Public Works' budget. The total budget is up 23 per cent. The majority of the increases are due to the size of the bureaucracy and settlements for executive positions. The increase in the workingman's pay is not very great.

The government has cut a number of accommodation programs but it has still boosted the budget by twice the rate of inflation. In their forecast they speak of re-using some older buildings. Frankly, I am not prepared to accept the fact that this is a particularly good idea. As a matter of fact, I have been carefully watching one building in Ottawa. I have watched it since they began to gut the building and up to this point. The building, which is being prepared for the new urban affairs department, was not sound to begin with. So far it has cost \$8.5 million to repair the building—70 per cent over what was originally estimated.

The Minister of Finance has asked us to show restraint in our personal spending. With costs the way they are today, we have to show restraint. I wonder whether anyone has told the Prime Minister (Mr. Trudeau) to