

Cost of Living

I would like to say also at this time that I am very glad that the Minister of Finance (Mr. Turner) is in the House tonight because, ever since his appointment, all his forecasts have been wrong.

[English]

There is one thing, Sir, that a very simple poll across this country would teach us, and that is that the number one domestic issue facing Canadians today is infalation—mounting prices. We are faced with a Liberal-Socialist coalition that just refuses to act. We are faced with a government that blames everybody but themselves. They appoint a chairman to some commission, give her \$40,000 a year—which surely solves her inflation problem—and who does she blame? Aided and abetted by the government, she blames the people.

I am going to talk about another matter. When prices go up, the Minister of Finance and the Prime Minister (Mr. Trudeau) blame the provinces. In addition, the Minister of Finance likes to blame world conditions. This reminds me, Mr. Speaker, of the little kid in school who never studied for his exams and flunked. But he said, "I'm all right because everyone else flunked, so that's okay." I listened to the hon. member for Don Valley (Mr. Gillies) this afternoon and I must say it is the height of irresponsibility on the part of hon. members opposite to prattle day in and day out in this House about nonsense to the effect that since the rest of the world is not doing too well, we are okay too; that just because everybody else is flunking, we have to flunk too. It is not necessarily true that everybody else is flunking. They have an incomes and prices policy in Australia, and so far as inflation and rising prices are concerned, that country has one of the best records in the world.

• (2030)

How about this continual comparison with the United States? It seems absolutely erroneous to me. We will not necessarily apply in detail or in general the same policies as does President Nixon. There is a big argument, and if the Leader of the NDP (Mr. Lewis) would only listen he would know that we have said time and time again that one of the reasons their controls at one stage did not work is that they lifted them too soon.

Conditions today are not the same as when they applied the controls or lifted them in the United States. I submit to the right hon. Prime Minister and to the Minister of Finance that it is a phony, an erroneous argument and that he is comparing apples with pears. If the minister would just throw aside some of those self-satisfied statements and documents with which he presents us all the time, he would admit to us that he is comparing apples with pears most of the time.

Mr. Turner (Ottawa-Carleton): No, with lemons.

Mr. Grafftey: Why is there a need for a prices and incomes policy? I do not have too much time at my disposal this evening, nor do other members.

Mr. Turner (Ottawa-Carleton): Take all the time you want.

[Mr. Grafftey.]

Mr. Grafftey: The clacks do not want the truth. Why is there a need for a prices and incomes policy? Its harmful effects on the distribution of income within the state and within the world are evident. I have recited its effects on people with fixed incomes, on pensioners and farmers. Its harmful effects on the labour-management bargaining process and on the pricing mechanism of the state are obvious. Its potentially harmful effects on a state's trading policies are obvious.

I wish the Minister of Finance would stop saying that if we had prices and incomes controls they would automatically harm our trading position. They would not, and he knows it. It is an old-fashioned argument that might have been applicable 100 years ago, but is certainly not applicable in contemporary conditions. It is a distortion of economic growth patterns. It has an emotional impact. Once we know that the inflation psychology is rolling, it continues to roll and very few things can stop it. We have said time and time again that a freeze followed by controls is not the be all and end all, but it is certainly something that deserves on its merits to be tried.

Mrs. MacInnis (Vancouver Kingsway): It has been tried in the United States.

Mr. Grafftey: You are prattling the same nonsense as is the Minister of Finance. This is not a comparison. Inflation has become a psychological, social and political problem and no wise government refuses to deal with it as does this government. A wise government cannot ignore excessive inflation as this government has.

The only reason that we have any measures in front of us here this week to at least partially deal with the problem is the rail strike. Because of this government's mismanagement of the rail strike, parliament was recalled. I cannot help but pay tribute to an outstanding Canadian at present not in this House. Under the government of the right hon. gentleman to my right at the time when the hon. Michael Starr held the labour portfolio, we did not have rail strikes. They were properly settled in those days. Mr. Starr got the parties together. Not once under the administration of the right hon. member for Prince Albert (Mr. Diefenbaker) did we have to recall parliament.

Some hon. Members: Hear, hear!

Mr. Grafftey: But we had to recall parliament under the present Minister of Labour (Mr. Munro) because we had piecemeal policies—too little too late. Then the NDP became excited. They said that this will be the big chance to attack inflation because they had been back to their ridings for a few weeks and they heard the people talking. What do we have? We have a few ad hoc, piecemeal measures which satisfy the NDP, but they are easily satisfied by the present government. They will soon see, if we get out of here and go back to the people, that what we have been dealing with in terms of government measures this week and last week will not satisfy the Canadian people.

Some hon. Members: Hear, hear!