

Canadian Economy

the other hand, prices continued to rise at a rate of 11 per cent a year in countries like Italy, Great Britain and Japan, and that is quite easily explained when one sees the world of business lose speed and unemployment increase. Those are signs we must pay attention to when we recognize them at home and we must avoid at all cost the serious effects they had elsewhere. If the government of Canada is further maintained in its inability to curb inflation, we are definitely going to pass the point of no return at the very risk of losing, so to speak, the control over our economy. Already now the situation is really alarming. Let us just look back a bit to compare.

Only about twenty years ago, if one had dared suggest that a hospital room in 1975 would cost over \$75 a day and a year of university would total between \$3,000 and \$4,000 he would have been branded as a sick man. At that time a year of university cost \$1,000 and a hospital room \$11 a day, and the average price for a single family house was about \$12,000. And if the same guy had dared say that in 1975 a single family house would average \$40,000 he would have been laughed at outright and even taxed with thinking liberal, in the right sense of the word though, that is with having a weird mind. However, this is exactly what is happening today. And projecting prices and wages for year 2,000, according to the inflationary trend of these last years, we get astounding results.

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The average family now earning \$14,000 will get \$112,000, according to the current trend, in year 2,000. A pair of shoes now costing \$28 will be worth \$167. A wool skirt now sold \$11 will retail for \$53. A haircut now costing \$3.20 will be \$20.50. A tooth repair now worth \$11. will cost \$50. A semi-private hospital room now costing \$78 a day will be worth \$290. A yearly tuition fee now costing \$3,700 in a private institution will cost \$45,000. A house now selling for \$40,000 will be paid \$623,000. This was arrived at by a recent authoritative study by the Economics Department of the magazine *United States News and World Report*.

This clearly shows the current economic situation and the kind of thing we can expect if we do not take immediate corrective action.

Belatedly, the government recently attempted to control the situation through their anti-inflation program, although controls are not a solution actually. Indeed, the Bank of Montreal's *Business Review* of October 1975 clearly states that such a measure is of very dubious effectiveness, and I quote:

Throughout history and until the 1970's, it has been shown that such programs hardly stopped inflation. They may bring temporary relief at the price indices level, but once controls are lifted prices almost invariably resume their uptrend at an accelerated pace. It will be remembered that unfortunately such was the result of the controls program launched in the United States in 1971 and finally curtailed in 1973. Controls unfortunately tend to obscure the need for a radical change in basic policies and behaviours.

And I want to repeat that:

Controls unfortunately tend to obscure the need for a radical change in basic policies and behaviours, which means that eventual solutions are more difficult and painful to apply.

As the President of the Bank of Montreal said in his speech to the shareholders in 1973:

[Mr. Beaudoin.]

—nothing could be so harmful in the long term while bringing only an insignificant relief in the short term as controls and no action can be successful while the underlying conditions which have caused inflation remain unchanged.

Another related basic problem is that price and income controls block the relationship between prices, even when this relationship is clearly inappropriate or unfair, which may well be the case in view of the rising inflation that we are now witnessing. But even if this relationship is just in a certain measure, at a certain time, we are living in a dynamic society where prices must change constantly if supply is to adjust to changes in demand. When the price system can no longer function normally, shortages and dislocations become frequent.

Since imported products represent 29 per cent of the Canadian gross national product, a control program would be difficult or impossible to implement without a gigantic and costly subsidy system or without higher prices of imported products being reflected on the consumers, which would contribute to the rising spiral of prices while inflation continues abroad.

In my opinion, Mr. Speaker, the conclusions drawn by the author of this article are the same as those that we have drawn in this House and the same as those drawn by many Canadians.

It is a fact that there is no miracle or easy solution to these problems. But the solution favoured by the government, which is to implement these controls, could be too easy and the results risk being quite unsatisfactory. Other steps that would be more logical and show true leadership could have been taken, but I shall come back to this later, after suggesting alternative solutions.

The point I am trying to make is that we should strive to create, through fair and truthful statements, the sort of social climate which is conducive to social justice.

Mr. Speaker, I could quote now, as I have done on previous occasions and as I shall certainly do again some other time, a whole series of statistics and facts which point to the weakness of the government in such areas as capital punishment and parole. But I shall merely quote part of an article published in *Québec industriel* 1975 which shows the lack of responsible leadership on the part of the government and the social climate it has created:

Blass commits crime after crime and offence after offence. He has his picture taken holding a gun and sends it to the newspapers. He is a real gangster, a notorious habitual criminal, a misfit. He is caught by the police but escapes, and a great many people are terrified when they know he is at large. Finally, he is shot dead by police. Immediately, the same "specialized" groups mourn his loss, blame the police for having done their job, look into Blass' background, etc. Special material is published on his life and "works". And a movie about him will top it all.

It is the same old story. People have bought many paintings done by one of the "Santa Claus killers" who had gunned down two policemen and made many orphans. The Watergate conspirators, who came out of American prisons as if by magic, are generously paid today by the press and television for the story of their dirty tricks.

In a world in which policemen and victims are wrong, criminals are better protected than honest people, bandits are held as heroes, the results are obvious.

In Montreal, a murder is committed every day of the year; in the United States, the number of thefts has increased by 20 per cent, burglaries by 17 per cent, rapes by 9 per cent and murders by 5 per cent. All the records have been broken.

Recently, Mr. Frank Schauftee, a well known criminal lawyer, stated: "It is a lot easier to defend a criminal than a victim, since in the latter case everybody is against you: the judges, the lawyers and the journalists..."

I do not know if justice is blind, as is often said, but it is far from exemplary.