

*The Address—Mr. Argue*

of time would amount to just \$4,273, a loss of \$640 in purchasing power. Inflation has reduced the value of family allowances with respect to the higher payment made of \$8 to a present value of just \$4.75 in terms of 1945 dollars. It has reduced the value of the \$6 old age pension to just \$3.56. These are some of the results of inflation.

The Prime Minister's general attitude toward all problems this evening appears to be, "well, we have problems but we have had them before. We have a deficit but we have had a deficit before." Surely the reason the Prime Minister sits tonight where he does sit is because he held out the hope that some of these problems would be solved. In the seventeen months the present Prime Minister has been in office the consumer price index has increased from 121.6 to 126.3, an increase of 4.7 points, and in the previous seventeen months the index went up 4.8 points. In other words, the increase in the consumer index in the seventeen month interval the present government has been in office has been almost the same as the increase that occurred in the consumer index under the previous administration.

Do we have inflation today? Yes, the same kind and almost the same degree of inflation as we had under the previous administration.

What about the tight money policy? We heard a lot about the iniquity of the tight money policy under the Liberal government and we expected that under this government it would have been abolished. Here is what the present Minister of Finance said on August 11, 1956 as reported at page 7462 of *Hansard* when referring to the increases in the central bank rediscount rates:

The effect of these repeated increases in interest rates, five in a period of one year, has been a tremendous increase in the burdens cast upon provincial governments with respect to their borrowings and upon municipal governments with respect to their borrowings, and upon business, and punishing losses upon the holders of Canada's obligations. What the government should be directing its efforts toward in facing the threat of inflation is to seek an increase in productivity.

Those were words uttered on August 11, 1956. The Bank of Canada rediscount rate for August 10, 1956, the day prior to this statement being made, stood at 3½ per cent and the bank rediscount rate on January 15, 1959, stood at 3.61 per cent. And so we see that the tight money policy, the high interest policy, of the Liberal government has become a tighter money policy and a higher interest policy on the part of the Conservative government.

**Mr. Fleming (Eglinton):** Rubbish.

**Mr. Argue:** The Prime Minister spoke about the efforts of his government to stop

inflation and he referred to freight rate increases. I wish to give the Prime Minister full credit for having removed the 3.6 per cent increase in freight rates, the last one, after the election. They talked about it a good deal during the election and the Prime Minister held out the expectation that it would be done after the election. We were happy that the 3.6 per cent was removed. But when the government was faced with a grant of a 17 per cent increase did the government say, "No, we will not allow this to go into effect?" After all the government was very brave when it came to disallowing a 3.6 per cent increase. But no, although the 3.6 per cent increase was not allowed the 17 per cent increase has gone into effect.

The speech from the throne does not say the government intends to take steps to remove the burden of the 17 per cent freight rate increase from the Canadian people. It merely says that steps will be taken to alleviate the burden. Will the Prime Minister say that the steps the government is going to take will remove the discriminatory effect of the full 17 per cent increase?

**Mr. Green:** Mr. Speaker, may I ask the hon. member a question? Was he opposed to the wage increase?

**Mr. Argue:** Now we hear from the Minister of Public Works (Mr. Green). I may say to that hon. gentleman I was not opposed to the wage increase and I do not think anybody in this house was opposed to it because it was recommended by a majority report of the conciliation board, but each of the ten provinces asked the government to take steps to prevent the 17 per cent increase from coming into effect by providing a subsidy.

**Mr. Green:** Would the hon. member permit another question? Were any of the provinces opposed to the wage increase?

**Mr. Argue:** Not that I know of. But what is the record of this government in this regard? The 3.6 per cent increase was disallowed right after the election but shortly thereafter the 17 per cent increase was permitted to go into effect. Even if this were the end of the freight rate increases or the prospect of additional increases, that would be bad but apparently this is just another one along the line. There is an application before the board of transport commissioners at present for an unspecified increase in freight rates. Mr. Ian Sinclair says he expects it to be from 12 to 15 per cent. Does the Minister of Public Works suggest the government will take steps to remove the discriminatory effects of such an increase should any part of it be allowed or should