

● (2130)

I would also like to speak about the first part of this motion pertaining to the inference that we are wrong in connecting our problem with the world problem, and I quote:

... deploras the inaction of the government in the fight against inflation on the fallacious pretext that it is an international problem ...

I repeat what I said last week; whether we like it or not, this is an international problem. The price of oil quadrupling is not only a Canadian problem but it is an international problem. The price of sugar having increased as substantially as it has over the past year, and now receding somewhat, is not a Canadian problem but an international problem. The cost of fertilizer to the Canadian farmer is not a Canadian problem but an international problem. The cost of binder twine, a very basic commodity which farmers use in great quantities to bind bales of hay and which is an imported commodity—it is not a Canadian problem that the price has tripled over a short period, but an international problem.

I think we have to realize that there have been international shortages of key commodities. There has also been a desire, and a proper desire, in my view, on the part of people in some of the underdeveloped countries to improve somewhat their way of life. I find it difficult for us to criticize that particular feeling on their part, and this invariably will reflect itself in their costs and the end prices at which they will sell their products to us.

I repeat that the problem is an international one. There are other examples. In the United States of America it took 80 years, from 1860 to 1940, for basic prices to double. From 1940 to 1975 they quadrupled. The point is that we cannot sit back and expect prices in this country not to move substantially when it happens to our important neighbour to the south.

There is one area where we do have some vulnerability. I think we are all concerned about the problem in relation to our own labour costs. There is no question that these costs are growing substantially, and we read that we are perhaps even leading the pack in this area. Yet it is very difficult to convince a labourer doing the same kind of work in the city of Windsor that he should earn less money than his counterpart living across the river in Detroit. It is very difficult to convince a street cleaner in Toronto or Montreal that he should work for less money than his counterpart in a city of equal size in the United States.

We do have problems in terms of total population and what we can afford. We must come to grips with these problems, but they are not easy problems, and it will take a combined effort by government, business and labour. I suggest that it has to be undertaken by virtue of a consensus. I think that we are trying to reach that kind of consensus and, until we do, the problem will remain with us.

With regard to inflation in the future I would like to emphasize again that the budgetary measures taken by our government in November will work their way through the economy over the coming months. I would like also to suggest that there are already signs on the horizon that the inflation period may be coming to an end. We may

### *Inflation*

indeed be moving to the point where the back of this particular problem will be broken.

Before we get too contented and happy about that situation we must realize that we could be facing a more serious problem, or a problem equally as serious but with different complexities, and I refer to the potential problems of recession. Certainly our economy is not growing, nor are the economies of the western world, at the percentage rate one had envisaged a year or so ago. I think that this is an important point because this could be one of the last occasions on which we in this House will debate the problem of inflation in isolation from some of these other complexities. In connection with that I would like to quote a comment made by the Secretary of the Treasury of the United States this past Monday morning, when he was appearing before the Senate budget committee in the United States. He said:

There has been an obvious softening, for instance, in the price structure. Consumer prices are now climbing much more slowly than they were, and wholesale prices have fallen for three months in a row—the first such decline in eight years.

I would like now to move to the second part of the motion before us tonight where there is again criticism levelled at the government for failing to support the idea of putting a compensated price on all Canadian food produce.

[*Translation*]

Madam Speaker, ever since I have been sitting in the House, I have always had much respect for the views expressed by members from that side of the House and in my opinion they often deserve much consideration.

[*English*]

I say this because I am not prepared to say that this particular part of the motion in my view is wrong. I am simply saying that I see certain dangers in it which have not been addressed. For one thing, every time we accord a government outlay to support prices for a certain segment of the community, there is another segment of the community which must pay the bill. This means that we must look very carefully at any support we may give from time to time. I think that must be looked at in considerable depth, and analysed extremely carefully.

In this particular case we could be getting ourselves into something we are really unable to measure in terms of potential cost, potential involvement, how it would be handled, etc. I think, for this reason, that that suggestion would require very carefully measurement and consideration, particularly at a time when we are saying that it is probably unwise to aggravate the inflation disease. At this point, any massive government outlay of that kind would obviously have that kind of effect.

I think that the protection of the consumer is a very important matter at this time. It is a concept I am able to support. I think the manner in which we protect consumers and what kind of protection we are giving them, however, are things which must be carefully considered, not just for the sake of the person paying the bill but also for the person who is ostensibly receiving the benefit.

If we were to pump more tax money into any kind of support program to ensure reasonable food prices—whatever is deemed to be reasonable—we must carefully con-