

Namely, the deficit and continued inflation.

—is a political crisis, the deepest in its 110 years of confederation, that is shaking the unity of Canada to its foundations. The ties that bind the 12 vast and disparate provinces and territories are being severely strained by French-speaking Quebec's drive for greater political and cultural autonomy and by demands of other provinces, especially Alberta, for greater decentralization of decision making.

We can lay the blame for every one of these difficulties at the feet of the present administration, if not at the feet of the Prime Minister.

**Mr. Johnston:** Clay feet.

**Mr. Clarke:** In the nine years of the Trudeau administration we have seen developed the worst economic crisis we have undergone for decades, if not ever, the worst unemployment Canada has ever known, and the most divisive feelings this country has experienced in its 110-year history. As I say, these difficulties can be laid at the feet of the government and its leader, the Prime Minister.

Last night the minister said inflation was under control and not rising greatly. He said last evening, as reported at page 6766 of *Hansard*:

... we can modify our own wage and salary increases, or modify, in the case of the business sector, the additional claims for profit.

Of course we can do that, but the government has not modified or restrained its own demands on the economy, and I wish it would. I do not have all the pertinent figures before me for bygone years but recall, according to the last table I saw, that government expenditures increased 16 per cent year over year in at least one instance. Every year, for the last four or five years, government expenditures have increased by at least that figure. In some years expenditure increases were up in the 23 per cent range. Mr. Speaker, we cannot expect people to restrain themselves, modify their wage or salary increases or modify their demand for profits, if the government will not restrain its own demands. Oh, it says it is doing it. But it has a way of modifying the figures to make it seem as if it is doing something in this regard.

**Mr. Dionne (Northumberland-Miramichi):** If we listened to you fellows, there would be no restraint at all, because you ask for a new program almost every day.

**Mr. Clarke:** Mr. Speaker, I heard the hon. member's remarks.

**Mr. Baker (Grenville-Carleton):** Such as they are.

**Mr. Dionne (Northumberland-Miramichi):** Such as they are—that comment applies to the hon. member's remarks.

**Mr. Clarke:** I shall try to put on record some ideas the opposition has put forward for solving the country's difficulties.

People see the government doing nothing and wonder what the opposition has to offer. During my past five years in the opposition, the opposition has offered a great deal, although sometimes it is hard to put the message across. Sometimes we

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have trouble making the government listen to us, or pay attention to our sound ideas. One need only remember the ideas the former leader of the opposition put forth—

**Mr. Dionne (Northumberland-Miramichi):** And what happened to him?

**Mr. Clarke:** —and how long it took the government to appropriate the germ of the idea and distort it into its own so-called program to control inflation.

Yesterday evening the Minister of Finance said in his speech, as reported on that same page of *Hansard*:

... average wage rates increased in 1976 at the rate of 10 per cent, and the consumer price index through that year increased at a rate of 6.5 per cent; therefore, there were real increases for the average working man of between 3 per cent and 4 per cent in the year.

The minister also referred to public opinion and what it thinks of the controls. I conclude that, obviously, the minister has not asked the average wage earner if he thinks his average increase of 10 per cent was able to keep up with the average increase in costs of 6.5 per cent. Obviously, wage rate increases have been somewhat depressed, and the floor put under wage increases by the government's controls program had to rise 10 per cent. The admission the other day of the Minister of Agriculture (Mr. Whelan) and of the Minister of Consumer and Corporate Affairs (Mr. Abbott) implied that a large measure of the reduction in costs, or reduction in the escalation rate of costs, was attributable to a lowering of food prices. Mr. Speaker, in no way has labour been catching up, and in no way have those on fixed incomes, or those with indexed pensions, been catching up with wage rates which have been paid in Canada recently.

The minister yesterday said that public opinion had said, "No, there is no demand in Canada for the removal of controls." He said, as reported in *Hansard*, page 6767:

We have had in Canada the phenomenon of rising popularity of the controls program, especially on the part of those who do not now have collective power. This fact shows up in the polls, it shows up in the personal contacts I have, and I know it is showing up in the contacts my colleagues have had as well in their own constituencies and throughout the country.

Obviously, the government has not been talking to the same people the opposition talk to—

**Mr. Dionne (Northumberland-Miramichi):** How do you know? You have not talked to our constituents.

**Mr. Clarke:** —in the constituencies, as I would point out to the noisy hon. member opposite. I submit that most Canadians want an end to controls. It is worth noting that at a worth-while conference in Toronto about one month ago business representatives of the investment community and labour, submitted their opinions on the controls program. There was no doubt that the controls program was unanimously disliked. The unanimous opinion of that group was that controls should end. Even the Minister of Finance has agreed in his more lucid moments that controls must end. It is simply a matter of when and how they should end.