

Anti-Inflation Act

sible for the federal government to provide that advertising, the primary purpose of which is to induce people to buy more, be somehow restricted as well? As they stand now, the measures will penalize the little guy, the low-income worker. But what about the media television, radio and press alike, that are trying by all means thinkable to urge people to ignore those measures, instead of tightening their belts, as the government is advocating?

Actually, Madam Speaker, governments are in the final analysis responsible for inflation, first of all because they are the biggest employers in the country and also because they do not produce genuine wealth.

Mr. Lambert (Bellechasse): They produce debts!

Mr. Allard: Mainly taxes and debts, as my colleague from Bellechasse has so aptly put it.

Once again, Madam Speaker, I want to repeat it, the time is ripe for new measures that will guarantee fairness in dealing with producers and consumers, in a word the entire nation. I therefore appeal to the government once and for all to assume its responsibilities and give full satisfaction to all Canadians. And to do it, the present majority government should take the necessary arrangements to propose an intelligent, serious and efficient solution to the present situation.

However, Madam Speaker, I doubt very much that within the present system we have the opportunity to act as I think we should. On the contrary, we, from the Social Credit Party of Canada, have been for many years looking for every possible way to bring the government to study our sensible and practical solutions to fight inflation. And my colleague, the hon. member for Abitibi (Mr. Laprise) raised last week one of these solutions, the compensated discount allowing producers to make a just and reasonable profit and at the same time giving to the consumer a chance to pay a reasonable price to meet his vital needs.

Furthermore, Madam Speaker, the government should have taken action to reduce excessive interest rates and bring them back at the same level as at the time when our economic situation was satisfying. Let us not forget that these interest rates have been in force for twenty years, if my memory serves me well from 1944 to 1960 and during that time, our economy was stable and everybody seemed to be happy. If we look around us, we see that, in the residential construction field particularly, everything is not alright. Why? It is only because of the excessive interest rates we now have. Are there many people able to buy a house when interest rates reach 12 per cent? Really, I do not know many of them.

If you cast a glance at the cost for building single family dwellings in Montreal since the seventies, you realize that it cost \$13.42 a square foot in 1970. In 1973, the same square foot cost \$17.22 and today in 1975 it costs about \$27: what a shame!

We can therefore infer that within five years, prices have doubled. As you may see, Madam Speaker, it has become urgent for the government to take measures and I therefore seriously think that before anything else interest rates should be lowered in order to give a new impetus to housing construction, to increase output capacity and thus check unemployment and meet the needs of all Canadians.

[Mr. Allard.]

I also think it is time for the government to try by all means to have the Bank of Canada,—the bank of Canadians, an institution which derives its policies from the government and from ourselves here in Parliament—to have the Bank of Canada assume its real responsibilities, namely control credit in the interest of our economy and people. It has undoubtedly become a matter of urgent necessity that the Bank of Canada should aim its credit lending policy at ensuring a smooth growth of our whole economy.

Madam Speaker, if the aim of the central government is to find means of checking inflation, I wish with all my heart that they would take the necessary measures to review more seriously the concrete suggestions of our party, for I am convinced that therein lies the solution to inflation and the unjustified soaring of prices.

• (1740)

Mr. Serge Joyal (Maisonnette-Rosemont): Madam Speaker, in a debate involving a policy as important and as novel to Canadians as this one, it is essential in my view that every member in this House keep in mind the consequences of the proposals now before us.

The President of the Treasury Board (Mr. Chrétien) indicated the government wants these measures to be fair to all.

May I remind you, Madam Speaker, of a principle of social policy that should be reflected in every measure under discussion. That principle is that any fiscal or financial action that does not aim at narrowing the income range is socially backward, and can have adverse social repercussions in an economy of free circulating capital and labour as ours. If we look at the social groups affected by these measures, it is easily seen that this legislation will create in a very short time an unacceptable imbalance.

Before I speak of three groups of workers I feel are more severely affected than others, I would recall briefly two causes of inflation whose effects deserve to be mentioned. The first of these causes is the government spending policy followed by the governments of Canada in the course of the last few years. Evidently, in a federal structure as ours, the power to spend is inherent in every level of jurisdiction. It so happens that the federal government controls some 40 per cent of the overall government expenditures, and that the remaining 60 per cent are shared by provincial and municipal governments.

We have seen during the last few years, for example, that in the construction industry governments were unable to do the kind of coordination that would have prevented the current rate of inflation, the rate experienced last year for instance and which is in the order of 28 per cent in the building industry. Provincial governments including the Quebec government, municipal governments as the city of Montreal for instance, the federal government, introduced big programs without really considering the effects that they would have on wages, on materials and, in general, on the normal relationships among the main agents in the field of construction.

During the last two years, the building industry has known an inflation rate which has no equivalent in any other field in Canada. Today, the government realizes the importance of coordinating these programs and initiatives.