

*Finance*

piece of inflation, he is simply condemning his own policy. He cannot in this way obtain the co-operation that is essential if we are to have any restraint at all in this country.

The comments of hon. members opposite, Mr. Speaker, are very typical of how they treat a serious problem of this kind with flip-pant remarks. I think it might do them a lot of good if they would delay their remarks for a little while instead of sitting there and throwing these inanities into the air.

The government has created a bias against labour ever since it took office. If we go back and examine the record we can see that from the very day this government came into power there has been an attempt to point the finger at labour. In his last budget speech the minister virtually invited the employers of this country to put their people out on strike. We saw this again in the attitude of the Prices and Incomes Commission in respect of its unrealistic approach and cry that labour should co-operate when the commission knew that the kind of thing it was asking organized labour to do was impossible. The commission knew that the CLC could not say to every union in the country that it must go along with this. There are democratic principles involved in these organizations. They reach decisions on their own. Often they reject the advice of their leaders. The commission has asked the leaders of the trade union movement to do something or to accept something which they could not do. Now we see the culmination of this kind of arrangement.

The minister points out that there has been compliance and acceptance by the business sector. That must surely be the greatest misstatement not only of the day but of this whole year. What sort of voluntary acceptance was it that the Prices and Incomes Commission suggested? It asked business not to increase its profits to any great extent. As the hon. member who preceded me pointed out, one of the reasons business profits are not higher than they are now is not because of the admonition of the commission but because those businesses which were in a position to take a profit had already done so. It is simply because the economic climate is such that the profits in some sectors of the economy are not there.

We want to see something done about inflation. We recognize that it is a problem, although it is not the greatest problem this society has to face. Anyone who can recall the hungry thirties, the unemployment and the grief that were created, knows that cer-

[Mr. Saltzman.]

tainly the degree of inflation we have today is not the worst problem our society has to face.

• (3:00 p.m.)

But since we do have to take some action along this line I suggest to the minister that he accept the suggestion put forth at the conference by the government of Manitoba for an incomes policy that would deal with all forms of income, a policy that would look into professional fees, into rents, into profits and into the various ways in which people get their rewards in our society. Unless he does this, I cannot see any hope. But if he is prepared to accept the position of the Manitoba government, and if he is prepared to put forth to the country through Parliament a fair way of assessing and calling for sacrifices on the part of everyone in our society, then he will find that labour will be the first to agree with him.

[Translation]

**Mr. Gilbert Rondeau (Shefford):** Mr. Speaker, we are quite willing to see the Minister of Finance (Mr. Benson) and the government take steps to fight inflation and we recognize that the minister is sincere when he talks about his anti-inflation policy, but we have serious doubts as to the means he is taking to attain that goal.

First of all, we should get a clear understanding of what is meant by the words used. When the Minister of Finance talks about inflation, he refers to prices being inflated, for if we look it up in the dictionary, it is stated that inflation is an abnormal increase in available currency and credit beyond the proportion of available goods.

However, this is not the situation prevailing today. It is not that there is too much money in circulation in ratio to production for if this were so we could only advise that the government continue its fiscal policy in order to drain off such a surplus.

The present "inflated prices", a more appropriate description of the inflation the Minister of Finance would have us believe in, result from increased production costs. Before establishing the Prices and Incomes Commission, the minister should have appointed a commission to determine the causes of these "inflated prices", which would probably have made it possible to take more realistic action, more likely to correct the situation.

For example, a few years ago the government lifted all restrictions on interest rates on mortgage loans and now it is twice as expensive to finance construction projects generally.