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Despite this escalation in costs, expansion and real production in recent months have been the highest for any period since the mid-1960s and among the highest of any industrialized country of the world. This growth, despite our problems, reflects real strength in the major sectors of the Canadian economy. The continuing decline in unemployment is another source of encouragement, which indicates that despite Canada's problems, very real and basic progress is being made.

As was stated in the Speech from the Throne, our Canadian system is closely tied to international trade and markets. We are all aware of this fact. The principal inflationary pressures have come from outside our country. In view of this, and under such conditions, it would have been singularly inappropriate to have resorted to general income and price controls, and the government has rejected them for those reasons.

At the same time, much has been done by this government to relieve the impact of rising costs on consumers. In recent months we have seen income tax and federal sales tax reductions, an increase in Family Allowance to \$20 per month, increased pensions for senior citizens, increased pensions for veterans, and increased pensions for the disabled, representing a concerted and vigorous attempt to protect those most adversely affected by the cancer of rising prices. We now have assurances that Family Allowances, payments under the Canada Pension Plan and other pensions will be increased regularly in line with increases in the cost of living.

Those are the actions of a government concerned about people, concerned about the escalation of prices.

There has been intervention to slow the increases in the price of gasoline and home-heating fuel, and subsidies have been provided to keep down consumer costs of meat, milk, bread and other bakery products. This kind of record hardly constitutes alleged "callous disregard" for the little people of Canada. It is a record of a government concerned for the Canadian people.

The net result of these measures is that when increased prices are taken into account, real personal disposable income of individual Canadians is more than 5 per cent higher than it was a year ago. Few nations can make this claim.

It is encouraging to note that the Speech from the Throne states:

But in addition, and more immediately, the Government's policy in dealing with inflation will be to step in, as it has done in the past, and take specific measures to increase the supply of certain goods and services, to protect those who are not able to protect themselves against the effects of inflation, to cushion consumers against sudden and disruptive price increases of essential commodities, and to prevent any group or groups from taking undue advantage of the current situation at the expense of others.

Concern is expressed for individual hardship caused by the rise in the price of oil and oil products, and the effect of the increase on the economy. Action will be taken in this area.

[Hon. Mr. Perrault.]

Action will also be taken to increase Canada's production of food, with full consideration given to both the consumer and producer: for the consumer, a sufficient and balanced diet; and for the producer, an adequate return to encourage production of food items which can be economically and efficiently produced in this country.

Predictably, the government's program to combat the price spiral has been vigorously opposed by the Leader of the official Opposition in the other place. He has condemned the Throne Speech as "vacuous" and he once again opts for a program of short-term controls followed by—and this can truly be described as vacuous—"follow-up measures." Those measures have not been specified and no details have been given.

For two years now, the Leader of the official Opposition in the other place has expressed his support for controls. It is to be hoped that shortly he will bring himself to providing a detailed list of proposed controls, as well as a list of the specific measures which should follow those controls. Surely, honourable senators, he has had adequate time to do that.

The national leader of the party opposite speaks of "relentless" price increases, and, in some sort of convoluted fashion, the government is supposed to be responsible for these allegedly "relentless" price increases. Yet that leader's own family business has been affected in a most dramatic fashion by the inexorable upward spiral of world prices, and those world prices in the light of Canada's pattern of imports of wool and cotton. Since 1968 there has been a 76 per cent increase in cotton prices. Has that been within the control of the Government of Canada? A 41 per cent increase in wool prices has meant an increase in costs for all those in Canada who manufacture undergarments. Has this phenomenon been within the control of the Government of Canada?

Does anyone wonder why the cost of undergarments is escalating so rapidly in Canada today? Does the Leader of the official Opposition in the other place seriously suggest that Canada should intervene unilaterally to turn back this world tide? The policies of the Canadian government have nothing to do with the price increases made necessary in the manufacture of Stanfield underwear over the past few years.

An Hon. Senator: Shame!

Hon. Mr. Perrault: The state of the international commodity market has a great deal to do with the advance in the cost of those items.

In fact, controls in the United States and in Britain of the type advocated by the official Opposition, as well as varying systems adopted by European nations, have proved ineffective in controlling inflation.

What is the comparison with other countries? In January, if we compare statistics on a year-to-year basis, Canada's price index increase of 9.1 per cent compares with an increase of 9.4 per cent in the United States, 12 per cent in Great Britain, and 10.3 per cent for all OECD countries and OECD Europe.

The official Opposition is critical of Canada's economic performance. The United States is in the process of phasing out all price and wage controls, except in health care and petroleum products, because they have not proved to