

*Anti-Inflation Policies*

In my opinion, it is not advisable to subsidize industries which will produce goods for which we have little or no need, since in every field, Canadian industry is already able to meet all our needs. Indeed, industries close down in some areas because they fail to sell their production.

Therefore, instead of subsidizing production at the top, let us rather consider subsidizing consumption at the bottom. Let us subsidize the consumer so that he may ask industry for what he needs. He could also specify the standards he expects. Thereby, we shall help consumers as well as industries, which would still obtain subsidies, though indirectly. Industries will therefore be urged to produce what Canadian consumers want, instead of the government wants. It would then be a much more logical way of helping our people, who expect their governments to pass fair pieces of legislation.

My colleague, the hon. member for Portneuf (Mr. Godin), last week put forward a guaranteed minimum income plan designed for all Canadians. I believe that the program of the New Democratic party includes a similar plan. I also believe that the Progressive Conservative party is considering the advisability of such a plan, and I know that in the United States, a universal guaranteed minimum income plan is being seriously considered.

I think that the methods of financing such a plan differ from one party to the other. This government should therefore consider establishing such a system in Canada in order to guarantee to all citizens a decent income, enabling them to control production. The same result might be achieved by increasing family allowances, old age security pensions and other welfare benefits across Canada, so that the recipients would not have to rely on employment. If full employment is clearly not possible, people should be able to enjoy just the same the goods produced by the machine which has replaced them.

If a system were established whereby citizens would have additional purchasing power, I am convinced that this would eliminate certain worries, particularly those currently felt by Quebecers. By establishing such a system, Canadian families would be in a position to benefit from the resources available in Canada.

[*English.*]

**Hon. E. J. Benson (Minister of Finance):** Over the past several months there has been much debate both inside and outside the

[*Mr. Laprise.*]

House about the most serious economic problem facing Canada today—that of inflation. The continuing debate about the policies adopted by the government involves fundamental economic issues of profound importance to us all. It is essential, therefore, that all Canadians should carefully weigh the consequences of the various alternative courses that have been urged upon us.

• (4:10 p.m.)

As a nation, we are confronted with two basic choices—fighting inflation or ignoring it. Among those who believe there is no practical alternative to fighting inflation, there is broad disagreement about how vigorously the fight should be waged and with what weapons. There is an equal measure of disagreement among those who believe that the fight is not worth waging in the first place.

Consider the second and most beguiling option first, that of ignoring inflation. Many of those who press for the adoption of this course argue that the continuing inflationary spiral in Canada is largely the result of sharply rising costs and prices abroad. There is little that Canada can do to insulate itself from these foreign inflationary pressures, they argue, and as a result there is little advantage to be gained in adopting domestic economic restraints that may cause increased unemployment.

Instead, they contend, the nation should learn to live with inflation, if not to love it, by building an inflationary escalator into the economic system that would enable the incomes of all of us, pensioners and wage and salary earners alike, to keep pace with spiralling prices. That, Mr. Speaker, would be like administering tranquilizers to offset the effect of an economy on "speed".

It would be foolish to deny that the level of costs and prices in Canada may be substantially influenced by inflationary pressures from abroad, particularly from the United States. But it is equally foolish to ignore the fact that the inflationary spiral in Canada has received a sharp impetus from cost and price pressures originating with the Canadian economy.

It is admittedly unrealistic to expect that Canada can succeed in maintaining relative price stability at home in the face of swiftly rising prices south of the border. Conversely, however, it is entirely possible for Canada to do very much worse than the United States if