

*The Budget—Mr. Colin Cameron*

appeared in that paper this morning:

The latest round of U.S. steel prices increases spread yesterday as three major manufacturers raised prices on a wide range of products. Jones and Laughlin Steel Corp. raised its base price for cold rolled sheet and strip and galvanized sheet by \$5 a ton, and hot rolled sheet and strip by \$4 a ton, effective Dec. 15.

Apparently the National Steel Corporation has done the same thing, in increasing its price by \$5 per ton. Pittsburgh Steel Company also increased its price by \$5 a ton. Other price increases were also mentioned. In polyethylene, natural general purpose resins were raised 1 cent a pound by Union Carbide Corporation, effective January 1. Chromic acid was raised \$2 a hundred pounds by Allied Chemical Corporation, effective immediately. Electrical conduit was raised an average of 5 per cent by Thomas and Betts cartons and vinyl flooring prices were also raised. They are all going up in conjunction with the rise in the basic price of steel in the United States.

I suggest that if the minister really believes and understands that the problem is that of a cost-push type of inflation, then he has to take some action in this field. He has to exercise the sovereign power of government to deal with this situation. He will tell me of course that constitutionally he is unable to proceed in this area. Technically he is correct, but I cannot believe that the Minister of Finance of Canada would be unable to persuade a provincial government to exercise its constitutional power to curb prices that may affect a whole range of commodities in that province and the rest of Canada. Certainly a well publicized appeal over the head of any recalcitrant provincial government to the people of that province will, I am sure, bring a quick response from the government of the province.

(4:40 p.m.)

The minister is not prepared to take action like that because he does not consider that that is really the role of government. He has the typical, doctrinaire attitude of the Liberal economy, the better it is for all concerned. As a consequence the few are benefited by this lack of policy, and the vast bulk of the Canadian population must suffer.

Much has been said about the so-called requirements with respect to the inflow of United States capital. I wish to say a few

prime rates resulted primarily from the boost in the Bank of Canada discount rate two weeks ago to 6 per cent from 5 per cent.

I also find, Mr. Speaker, that many of the world bank rates as at November 21, 1967 were very much lower than ours, and ours are very much lower than those in the United States. On November 19, 1967 the United States rate was set at 4½ per cent, 1½ per cent below ours, which seems to me a very wide margin for the attraction of capital into this country, and for which I have some grave doubts about the degree of necessity the minister is forever presenting to us.

The other part of the minister's problem is to be found in the rising price index and rising unemployment levels. Although he told us today that he understood that this particular inflationary situation was not a demand

Mr. Sharp: I said that consistently.

Mr. Cameron (Nainimo-Cowichan-The Islands):—on the other hand, everything that

he and his revenue minister have done and presented to the house during the last two days must be predicated, if it is to have any sense at all, upon the analysis that this is a demand type of inflation. I say this because the measures he has introduced are designed to cut down on consumption, first of all by the surtax on personal income, which admittedly though not all that serious does have some effect, but even more importantly, by the deliberate invitation to rising unemployment.

How the minister can square that with his suggestion this afternoon that he understands this is a cost-push type of inflation is beyond me. Of course he finds it rather difficult to deal with a cost-push type of inflation; he is not prepared. He is not prepared to intervene in the economy to the degree obviously called for at the present time. He has taken no action that I know of—certainly it has not been reported to us and not reported in the papers—to persuade, if that is the right word, the Noranda corporation to reduce their price from the 4 per cent increase. He has made no attempt as far as I have been told to deal with the price increase proposed by INCO the other day.

In the *Globe and Mail* this morning there appeared a rather disturbing report from the United States concerning similar types of price increases that had taken place in that