

*The Address—Mr. Barnett*

plans were thrown out of calculation because the government of Canada was not prepared to check the impact of inflation upon the little people, the senior citizens, who would live in this low-income housing development.

Appeals and inquiries were directed to the Minister of Finance by the Alberni Valley Senior Citizen's Homes organization, supplemented by representations from the city of Port Alberni and the Port Alberni and District Labour Council. These representations pointed out to the Minister of Finance that they will have to abandon this project. So far the Minister of Finance has not acknowledged these representations. That is why I had to stand in this House at the beginning of the session to find out whether the government had any intention of doing something about the problem which would enable this local organization to follow through with its own initiative in trying to prevent the impact of inflation upon the little people, to use the words of the Minister of Finance. This initiative was a second stage. It is a follow-up of a project which came into being a number of years ago. I had to probe to find out whether the government is going to make it possible for these people to do something about stemming the tide of inflation and its impact on the little people. I was told by the Prime Minister that the government is not going to do anything to make it possible for the project to proceed.

The Prime Minister stated that the government will not consider granting a subsidy on the interest rates which would have enabled this project and others like it across the country to proceed. They will not take that minor step to stem the impact of inflation on the little people, that is, grant a reduction of 1 per cent to the effective interest rate that had been charged earlier this year.

If we are to talk about stemming inflation, the government must start to take some initiatives which are within its means. It is not necessary to go into the realm of price controls and all the other fearful things the minister is worrying about to deal with this kind of problem. This is one of the minor things that can be done without putting any strain on the financial structure of the government. To have stemmed the tide and held it in this particular area would have meant a simple supplement. This is a method which the government could have used but which the Prime Minister says they will not use. They could have supplemented a very small part of the total commitment of this year for

Central Mortgage and Housing Corporation. In other words, it would have stemmed the tide while some of the other measures the government is talking about are taking effect.

Perhaps by the time next year's appropriations are required by CMHC for this purpose there will be a fall-back of interest rates. But why penalize certain groups when most of the funds have been appropriated at a lower interest rate? Why penalize groups who have developed their projects in good faith, believing they could proceed according to plan, by refusing to hold the ceiling on interest rates in this very special field which has always operated within the framework of the Liberal government's national housing policy at less than the standard commercial rates for housing?

While I am pleased to see that the Minister of Finance is taking the problem of inflation more seriously than other Liberal Ministers of Finance in my experience have done and I believe the facts as they have been laid before us bear this out, I have some skepticism as to how effective the ideas and proposals of the federal government will be in this connection. This is why I find it difficult to take too seriously the bland words of the Minister of Finance when he states he will see that inflation does not happen.

There are many matters with which one could deal in this debate. At the beginning of my remarks I referred to it as being a state of the nation debate. It represents the fundamental contrast between our system and that of the United States. In our parliament it is the private members who come back from across the country and tell the government about the state of the nation. This is in contrast to the United States Congressional system, where the state of the nation speech is delivered by the head of the executive branch.

I understand that the Secretary of State for External Affairs (Mr. Sharp) is involved in an important and necessary conference in Victoria. I had hoped to raise at this time certain matters which are of real concern in British Columbia and which come within the realm of his activity. As the Minister of Indian Affairs and Northern Development (Mr. Chrétien) is in the House today I shall deal with certain matters which I trust are somewhat dear to his heart and defer my remarks on the other subject to another occasion.

The minister will be happy to know that the *Alberni Valley Times* of the city of Port Alberni published a speech the minister