

This means that inflation does not affect everybody. Inflation does affect a few citizens, particularly those on fixed incomes. So I cannot agree with the motion of the hon. member for Champlain who claims that a guaranteed minimum income might help fight inflation. On the contrary, I feel that if the government acted in this way, it would put money in the hands of those citizens who do not need it and who already benefit from simultaneous increases in prices and incomes.

Finally, I would like to answer more directly the charge in this motion, which states that the government did not do anything to fight inflation efficiently. On the contrary, in the past, that is in 1973, the government took many steps to deal with inflation. And even more important, Mr. Speaker, the government intends to take more steps this year. The Speech from the Throne that was delivered at the opening of this session showed that the government was going to make all efforts possible this year to fight inflation.

What are the government's plans for 1974 as regards inflation? First let us recall—and it is a wellknown fact—that the government is concerned by the inflation problem, and that it does not think necessary to resort to an overall control system. The government recognizes that our economy is resting for a large part on our trading relationship with other countries. That is why inflation that developed in the whole world as a result of certain phenomena is affecting us as well.

However, the government fully recognizes that there are in Canada different means to deal with inflation, and these means are much more effective than the guaranteed minimum income referred to in the motion.

The government programs designed to fight inflation are actually divided into three separate parts. First, in the speech from the throne, we mentioned projects aimed at protecting the individuals, mainly those on fixed or low income. We are also proposing measures intended to prevent price increases in specific areas. We also intend, and this is very important, to deal with shortage-creating problems by encouraging supply, that is to say by stimulating production. The government prefers such a system which, besides, has been used over the last few months, namely selective measures applied in different ways and at different times as the occasion warrants to selected goods and services.

This makes for a flexible and appropriate system in a society seeking to control change in the most effective manner. Lately, the government has applied such selective measures to which I will come later. However, we will not hesitate to resort to additional deflationary measures if required. And as previously stated in this House by the Prime Minister (Mr. Trudeau), we will not hesitate to go after the "big guys" in the market place to protect the Canadian consumer.

One of the cornerstones of the counter-inflationary program we will launch in 1974 as a follow-up to those we have initiated last year is production stimulation, particularly of foodstuffs. Since food is one of the major factors in the price index in Canada and that the food shortage in the rest of the world as in Canada is one of the major inflation factors, the government set forth recently in the speech from the throne a food policy which will urge

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Canadian producers to produce more so as to check rising prices. Of course, this is a medium and a long-term method, but the government also took some immediate measures.

I should like to deal in particular with some measures that the government implemented last year and which are still being applied, in order to show clearly that the blame put on the government by this motion is quite unfounded.

Last year, the government first set up a committee which was instructed to investigate food prices and which the House approved on January 23, 1973. Later on, the government created a Food Prices Review Board, which actually replaced a House committee.

I should like to emphasize the much more specific and selective measures which are included in our counter-inflationary program and which the government implemented last year in order to check the rise in prices of certain goods, particularly food products.

In the meat business, in August 1973 the government imposed export restrictions on beef and hog. That resulted in a widespread ban on Canadian meat sales on the U.S. market where prices were higher because of reduced production brought about by controlled prices and salaries. That initiative stopped meat prices in Canada from going up for a while.

With milk which is another basic commodity, the government announced last September that it would be subsidizing powdered milk at a rate of 20 cents a pound which resulted in a price drop of 14.3 per cent. It also announced a 5 cent subsidy on liquid milk which prevented or at least slowed down subsequent price increases. Of course, that plan is still in force.

With bread also in September the government set up a two-price system for flour which resulted in Canadian bakers receiving a subsidy which slowed down a price increase.

Unfortunately, Mr. Speaker, Canadians have difficulty recognizing the result of steps to prevent prices from rising. Prices are high and people are not satisfied. If we pass a measure which would reduce the price of a commodity, people could understand right away and feel that we curbed inflation.

But people are having difficulty realizing the effectiveness of steps such as those I just mentioned and which prevented milk prices from increasing because if the price of bread does not go up for six months, people find that normal. However, people often forget that it is because of steps taken by this government that the price of commodities such as bread, milk and meat, increased in a more moderate way or did not go up at all recently.

Let us now turn to what the government did to check the increase in the cost of oil products.

At the end of last year, the government asked oil producers in Canada to freeze their prices voluntarily as of September. So, in the part of the country that lies west of the Ottawa Valley, the price remained about \$4 a barrel while the price of crude oil on the world market reached more than \$10 a barrel.

The government is now negotiating with the provinces to set for all of Canada a standard price that would be