

[Translation]

Mr. Chas. L. Caccia (Davenport): Mr. Speaker, at the beginning of my remarks, I would like to congratulate the mover and the seconder of the Address in Reply to the Speech from the Throne, the hon. member for Spadina (Mr. Stollery) and the hon. member for Sherbrooke (Mr. Pelletier).

Recently, in the House, the member for High Park-Humber Valley (Mr. Jelinek) spoke about the Great Lakes Water Quality Agreement. He had great criticism for the Canadian government position.

Well, I must now use the other official language to be more precise.

[English]

Contrary to the allegation made by the hon. member for High Park-Humber Valley (Mr. Jelinek), Canada has stuck to its agreement. This fact was recognized in a radio interview some weeks ago with an elected representative of the state of New York who acknowledged that Canada had lived up to its commitments. In more than one way he apologized for the slow and hesitant support that was coming from the American federal government to meet its commitment in the Great Lakes Water Quality Agreement. Having listened to the kind of charge made by the hon. member for High Park-Humber Valley, I feel that if his facts on COJO and ABC are as correct as they were on the question of the Great Lakes, then the people of High Park have a problem on their hands.

We all know that avidity for power plays some strange tricks on people and the hon. member for Don Valley (Mr. Gillies) who spoke on the same day, was no exception. The hon. member for Don Valley is a great proponent of an incomes policy. He was outraged because the Prime Minister (Mr. Trudeau) suggested that an incomes policy would hurt low income groups. The hon. member for Don Valley disagrees with that statement. Unfortunately, the hon. member for Don Valley does not tell us what kind of incomes policy he has in mind. It involves the question of job security, and similar questions. Despite the political partisan considerations which might be involved in any discussion of this topic, I think he should throw some light on this somewhat difficult question and tell us what he means.

● (1510)

It is well known, outside academic circles at least, that it is relatively easy to control wages and salaries but not so easy to control professional and business incomes. By suggesting his incomes policy, does the hon. member for Don Valley mean that he would intend to ask those earning higher incomes to stop their demands voluntarily or even reduce their incomes, in order to provide an example of restraint? In our society, some earn \$4,000 a year, and others earn \$80,000. For example, hospital workers are at one end of the scale, and architects are at the other. Does the hon. member for Don Valley, who I am sorry not to see here today, intend to reduce the gap between high and low income groups? If so, perhaps he should tell us how we are to do it, instead of allowing a synthetic rage to get the better of him, as happened on Friday.

In another part of his speech the hon. member for Don Valley said that his imagination boggled at the increase in

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government expenditure. In February, 1973, as recorded in *Hansard*, page 1559, the hon. member for Don Valley said this about the deficit then being incurred:

... is the deficit large enough to really move this country ahead, to produce the sort of employment that Canadians have every reason to expect and to hope for within the economy. I would argue, that it is not.

The hon. member then went on to talk about the Conservative bag of tricks, namely, removal of certain sales taxes and the program to help small businessmen. He went on to say, as recorded at page 1560 of *Hansard* for February 22, 1973:

If we had done these things, the deficit we would be running on a national accounts basis would be somewhat over two and one half as much as the deficit which the Minister of Finance suggested. I say to the members of this House that this country at long last needs this sort of stimulation to move ahead in an effective and improved fashion.

Well, with advice of that kind on economic matters, who needs enemies! We learned, the day after the hon. member made that speech, that the real increase in the gross national product for 1973 had run at 7.1 per cent. Does the hon. member for Don Valley mean to suggest that if we had followed policies of the Conservative Party that percentage would have been even higher? I do not know.

Last Thursday the Leader of the Opposition (Mr. Stanfield) solemnly declared in this House that the Conservative Party has not only proposed measures to combat inflation, but has the will to carry them out. The measures suggested were removal of all types of sales taxes. The people of Canada were not told where government expenditures are to be cut in order to offset the loss in revenue. I suppose it is fairly easy to propose the removal of sales taxes but not so easy to say what is going to happen to government revenues. Perhaps the Conservative Party has certain reduced services in mind. If so, it should tell us which kinds of services are to be reduced or removed. On the other hand, if it intends to maintain the same level of expenditures, we should know where the needed revenue is to come from.

The Leader of the Opposition talked of indexing Canada Savings Bonds and of temporary controls, to be followed by some kind of miraculous agreement to be arrived at in this country. In this regard one of our national newspapers carried an editorial last Saturday with the headline, "Expert testimony". According to the editorial, the President of the United States said that,

"The answer to higher prices is not simply controls—controls have been tried and controls have been found wanting. The answer to higher prices is to get up the supplies. That will bring the price down.

We do not dispute the will of the opposition. Yet not even its best friends can claim that its will is matched by consistency and competence. In times of inflation, the argument for moderation and the slowing down of expectations should be directed at those who command higher incomes in society, not at those at the bottom of the income ladder. It is easy to preach the gospel according to St. Gillies, the gospel of no growth, when your tummy is full and your income high. If those who are successful, who command better incomes, are willing to accept lower fees, lower rents, lower returns and lower profits, then and only then can the dialogue be started towards lower expectations on the basis of solid and tangible results.