

which have taken place with various economic groups in the country were for the purpose of trying to avoid this very danger. We embarked on a series of discussions with various groups in our country in order to seek accord on national goals for steadily reducing the rate of inflation. We wanted to discuss with them practical and acceptable means for achieving these objectives. This particular effort, I believe, is going through the concluding phases of the first stage.

**Mr. Stanfield:** The twilight of the gods!

**Mr. Sharp:** I hope that in the near future there will be an announcement about the beginning of the second stage, which I think will do much to bring about the co-operation without which the problems I alluded to cannot be successfully attacked. Some, like the official opposition, think we should impose wage and price controls. Others take the view that somehow the government will come forward with a scheme of guidelines without the co-operation of unions or employees. This view has been discredited by the government and, fortunately, by the people as well.

**Mr. Hees:** Think of John Young.

**Mr. Sharp:** Let me turn, now, to another aspect of the motion. It calls on the House to blame the government—

● (1600)

—for ignoring the concrete proposals of the Social Credit Party for eliminating the unjustified increase in the cost of living; in particular the proposition according all Canadians consumers a compensated price on all Canadian food produce.

We on this side of the House will be waiting with considerable interest to learn—

**Mr. Deputy Speaker:** Order, please. I regret to interrupt the hon. minister, but he will require an extension in order to complete his point. The problem is in the hands of hon. members. Is there consent to allow the minister to complete his remarks?

Some hon. Members: Agreed.

**Mr. Hees:** Mr. Speaker, I rise on a point of order. We will give the minister any amount of time if he will tell us about the consensus.

**Mr. Sharp:** Mr. Speaker, we have been endeavouring to explain a concept that the opposition finds impossible to comprehend, probably because they have a one-track mind. They say the only way to control inflation in this country is to proceed by way of wage and price controls, notwithstanding the fact that this was rejected in the last election. They do not understand any other approach. They believe this is the panacea. We reject it, and we do not intend to follow it. We are looking for much more constructive ways to deal with the problem. I am sure the result will be a continuation of the successful efforts that have been made in this country to deal with this problem. As I have said, it is a record that compares favourably with any other country, and it is certainly very much better than that of the United States, Europe or Japan.

I shall conclude these remarks by dealing with the second part of this motion.

### *Inflation*

**Mr. Knowles (Winnipeg North Centre):** This is the end of the beginning.

**Mr. Sharp:** When we listen to the speech of the spokesman for the official opposition I hope we will learn whether the official opposition is going to support the proposition that there should be extensive subsidies to the consumer, at great public expense.

I listened to the spokesman for the official opposition when dealing with the question of inflation. At one time he talked about the necessity of restraining public expenditures, and another time about reducing taxes. On February 16, the Leader of the Opposition talked about these problems. He said that even talk about injecting further stimulus into the economy scares the life out of him. I wonder whether, when he said that, he was thinking about the hon. member for York-Simcoe (Mr. Stevens) who talks about a big tax cut as a means of stimulating the economy. This is why I will be very interested in hearing the official opposition deal with these contradictions in their position.

As far as the government is concerned, we do not think that the direction proposed in the motion of the Social Credit Party, of paying massive consumer subsidies, is the way to deal with the problem. From time to time we have used subsidies and we may again in the future. However, in our view, to inject massive subsidies of this kind would simply stimulate inflation and would not be a protection against it.

**Mr. Sinclair Stevens (York-Simcoe):** Mr. Speaker, we agree with the words of the motion, "That this House deplores the inaction of the government in the fight against inflation on the fallacious pretext that it is an international problem..." I listened with interest to the President of the Privy Council (Mr. Sharp). I expected a little more elaboration from the government as to what, in fact, they intend to do to correct the two most severe problems in the country—inflation on the one hand and rising unemployment on the other.

The government has tended to give no guidance to the country to help individual Canadians respond properly in today's confused economic climate. They simply rely on a touch and feel type of approach to the economy. I can only gather that they themselves do not know what to do at the present time. The President of the Privy Council tended to take great credit for the past and indicated the government had taken constructive measures to relieve inflation and, presumably, create employment. He was non-committal as to what, if anything, the government feels should be done in the future in order to counteract the two problems to which I have referred.

It is time the Minister of Finance (Mr. Turner) clarified, for the people of Canada, whether he believes his November 18 budget is all that is required to offset unemployment on one hand and relieve inflation on the other. So far we have had no indication from the Minister of Finance as to his final conclusion. He tells us he is looking at the international scene—the situation in the United States, Europe and Japan. He wants to see how his budget will react in Canada. In the meantime, he will not give any commitment as to where he believes the economy is going to turn and, generally speaking, whether any new meas-