

## Inflation

[English]

**Mr. A. C. Abbott (Mississauga):** Madam Speaker, I am very pleased to speak on this important motion. I am sorry that the hon. member for York-Simcoe (Mr. Stevens) is not in the House, and I am particularly sorry that the hon. member for Waterloo-Cambridge (Mr. Saltsman) is not here. Members of the New Democratic Party are normally in the House, but I gather the exhaustion that was caused last night has laid them low and they are not able to last the day.

It is also evident that members of the Conservative Party, exhausted from their efforts in debating an emergency measure on an issue that was settled before they began, find their ranks depleted. They are apparently less interested in current matters than they were in a matter that had already been settled before they returned after supper last night and which they debated into the early hours of this morning.

Unfortunately, I arrived too late to hear the remarks of the hon. member for York-Simcoe today, but they seem to have been a warmed-over version of the speech he delivered to this House the other day on the motion of the New Democratic Party. He was followed by the hon. member for Waterloo-Cambridge who admonished him, I think properly, for a "head in the sand" attitude toward the problems of the economy. The hon. member for Waterloo-Cambridge is a very respected member of the House who has the benefit not only of being a socialist but an entrepreneur and a representative of free enterprise and can look at the economy, as he does, from both ends.

I once spoke to a highly-placed official of the Liberal Party who told me that only two things had not gone up in price since the war—shoe-laces and the membership fee of the Waterloo South Liberal Association. I am sure that the high value of membership in that association has caused the price to rise; I am not so sure about shoe-laces.

The remarks of the hon. member for York-Simcoe recall to my mind the kind of negative and wholly cynical speech he made the other day. I believe that is the sort of attitude that over the last few years has denied the Tory Party a mandate from the Canadian people. The kind of issues we face today were the subject of a policy put forward by the Tories during the last election campaign, and rightly or wrongly—we on this side believe it was rightly—that policy was not accepted by the Canadian people. This policy is now cynically put forward by the current financial critic of the opposition to advance his own particular notions on how the economy should be managed. By making such statements to this House he completely distorts the efforts of this government to deal with the very serious issues which affect the economy. As reported at page 4075 of *Hansard* for March 13, the hon. member said:

We all know the speeches which the Minister of Finance has delivered to labour union leaders, in which he has chastised them and said, "Hold your wage demands down." Surely it would have been much more fair for the Minister of Finance to have gone to those labour leaders, laid his cards on the table and said, "Sorry, fellows. In order to keep power and win re-election we tampered with the economy. We overinflated money. We spent too much. We caused inflation and we hope you will understand."

[The Acting Speaker (Mrs. Morin).]

● (1710)

Later in the speech the hon. member said, as recorded on page 4076 of *Hansard*:

Perhaps the most important thing I could say is, why doesn't the government resign and let us get another government? It is time for the minister to act. We believe he should act by lowering the tax rate in Canada in three important areas, namely, a reduction in personal income tax, elimination of the sales tax on building materials, and the allowing of interest on mortgages over 8 per cent to be a deductible expense before paying income tax.

That tirade about government inadequacy represented the limits of the hon. member's formula for dealing with the problems we face today. Earlier the minister had told us what the government had done in the November 18 budget.

**Mr. Gillies:** We have the highest unemployment and inflation rates in the world.

**Mr. Abbott:** The hon. member says we have the highest unemployment and inflation rates in the world. That statement—

**Mr. Gillies:** Is true.

**Mr. Abbott:**—like many other remarks, is perhaps half true.

**Mr. Gillies:** We have the highest inflation rate in Canada's history.

**Mr. Abbott:** The minister said, as recorded on page 4071 of *Hansard*:

I want to point out to him and to our colleagues in the House that we have done a great deal in an effort to protect those who are least able to defend themselves against economic cycles, against the erosion of inflation. We raised the old age pension and adjusted it against cost of living. We adjusted the guaranteed income supplement and increased it. We tripled family allowances and adjusted those against the rise in the cost of living to protect those families with small children, particularly those below the poverty line. We came up with the largest tax reduction in Canadian history, and 70 per cent of those reductions affect people with incomes of \$10,000 or less. We eliminated what the hon. gentleman considered to be a regressive sales tax for all clothing, all food and all drink except alcohol. We do represent, after all, the party which brought in medicare and hospitalization programs and we are committed to a guaranteed annual income.

I ask hon. members to contrast the remarks of the minister and the policies reflected in the November 18 budget—policies from which all Canadians benefit today—with the kind of policies brought forward at the end of the remarks of the hon. member for York-Simcoe against the government for its alleged inadequacies. Even the hon. member for Waterloo-Cambridge, thought a member of the opposition, saw fit to dress down the official opposition for its willingness to assume that all inflation problems in this country are domestic in nature and have been created here rather than being worldwide. Inflation is rampant throughout the world.

**Mr. Gillies:** You know better than that.

**Mr. Abbott:** The forces of inflation were set in motion around the globe by a worldwide economic boom that caused demand for many commodities to outrun the available supply.