

offing and who had to bail out before this knowledge was shared by a broader segment of the industry.

• (1630)

If the government intends to see this package through, it will need a better sales manager than it has employed up till now. How do people know that the Prime Minister and the Minister of Finance are telling them the truth this time? After having been told that price and wage controls will never work because they have never worked anywhere else, how can they believe the government now? The Conservatives' price and income controls of 1974 were said to be a cruel joke on the Canadian people. The performance of my colleagues from across the aisle reminds me of the young fellow at school who was a notorious liar. Every time he had something really serious to say, he had to say, "I am telling you the truth this time". This is what the Prime Minister is saying, that this time he is telling us the truth. But how do we know?

The truth is that inflation cannot be cured with price and income controls. Any member across the way who says that the Conservative party has stated that price and income controls are a cure to inflation is simply being dishonest. What is inflation, anyway? It is the main ingredient of the program that we are discussing today. Inflation is an international and domestic con game. The international con game works in this way. Countries like the United States embark upon schemes of extravagance that they cannot sell to their own taxpayers. They water down their currency and buy products on international markets with those watered down dollars. Of course, in the case of the United States it was the Viet Nam war that made that kind of approach necessary.

In Canada we also indulge in schemes of extravagance in the field of welfare—programs such as unemployment insurance, DREE, LIP, LEAP and a long list of others which do not make sense to a lot of Canadians or have their support. It is for this reason that we have to water down our domestic currency and cheat recipients under these schemes by paying them with dollars that are really not worth what they are supposed to be worth.

The program the government is trying to introduce is very much different from that which we proclaimed in the 1974 election. In my opinion, it is very important that we tell Canadians where the program differs. Firstly, the government intends to regulate the economy with price and income controls. It intends to fight inflation in this way. We feel that inflation can only be controlled and disciplined through monetary and fiscal management. Wage and price controls should only be used as a tool to break inflationary expectations.

It is for this reason we feel that a three-year period is much too long. Serious shortages of consumer goods will occur and there will be an imbalance between imported and domestically-produced goods. I had a telephone call from a constituent yesterday, a contractor, who told me that the day following the announcement of the guidelines he was informed by suppliers of a very important commodity, namely, furnaces, that there will be no supply of furnaces this year until the company can determine to what extent the guidelines will affect its operations.

Anti-Inflation Act

More serious than that is the fact that the program is selective in nature and, therefore, unfair to a very large segment of our people. It effectively controls wages—or at least we think it will, provided the government has the guts to carry it out. But it still allows prices to fluctuate and be regulated by input costs. The large corporations which deal in the export markets will be under no price restriction at all. It is interesting to speculate how unions subject to the 10 per cent ceiling on incomes will respond to that. Some companies will be monitored, others not. What about the lumber industry, the pulp mills and the wood fibre commodity groups that sell 75 per cent of their production offshore? What will the unions say when these companies' profits and prices continue to escalate and rise at the same time as the work force producing the goods is tied to strict guidelines?

Then there is the bureaucracy that needs to be set up, and the prospect of an administrative nightmare. Yesterday I asked the minister in the House whether the government has dealt with the perplexing question of how many people will be required to administer the program, and he said he thought it would take 200. Another minister on the treasury benches said they were speculating it might take 500 people. I suggest to Your Honour that it will take more like 5,000 people, if not 50,000, to administer the program that we have in front of us.

For example, the Anti-Inflation Board reports to the administrator, who is checked by the appeal tribunal, which can be overruled by the governor in council. All are expected to apply a degree of discretion as they monitor, regulate and administer the guidelines which may be changed from time to time. Most important of all is the ingredient that is missing, and that is the faith and trust of the Canadian people in their government which has shown lack of leadership. The program we proposed was watered down because, as the Prime Minister said, he wanted it to be equitable.

Mr. Baker (Grenville-Carleton): It was deformed.

Mr. Oberle: It was deformed, my colleague says. To whom is it supposed to be equitable? Is it to be equitable to the unemployed, the sick, the disabled, the senior citizen? Is it to be equitable to the unions and big corporations; or is it simply to be equitable to the Simards and William Terons of this country?

As my colleagues on this side know, we would have imposed a 90-day freeze on all prices and incomes. We would have made the program equitable to all Canadians. We would have used the time during this solid 90-day freeze to work out monetary and fiscal strategy. One must remember that this proposal was made during an election campaign and we were expecting to take over from a bungling government, which is why we needed time after the election to sit down together and discuss the situation and to tell Canadians that they would be dealing with a group of people who would always speak the truth. It would have taken 90 days to sit down and discuss the situation and to tell the people that this was a government that would always tell the truth and was backing up its convictions by bringing in legislation to keep everybody honest.