

*Government Administrative Policies*

Canada. As he noted, it is at present giving a further significant stimulus to the economy. Before such measures can be implemented, however, it is essential to obtain concrete evidence of a slowdown in the rate of wage and salary increases, which is a prerequisite for a return to relative price stability. Were the government to take major steps to spur economic growth in the absence of such evidence, it would run the very real risk of adding more fuel to the inflationary fires, eventually making it necessary to resume the battle against inflation all over again.

The leader of the NDP suggested this afternoon that we could solve this problem by building indices into pensions and a great many other things in Canada, in order to offset inflation. I refer him to the experience in Brazil when they tried to do such things. The minister of finance of that country has become a hero because he has cut down inflation from 100 per cent a year to 20 per cent a year. We cannot stand that in Canada.

**Mr. Douglas (Nanaimo-Cowichan-The Islands):** May I ask the minister a question?

**Mr. Benson:** Just a minute.

**Mr. Douglas (Nanaimo-Cowichan-The Islands):** On a point of order, Mr. Speaker—

**Mr. Speaker:** Is the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) rising on a point of order? The minister has the floor and should not be interrupted except on a point of order.

**Mr. Douglas (Nanaimo-Cowichan-The Islands):** I rise on a point of order, Mr. Speaker. The minister is either deliberately or unconsciously trying to distort what I said this afternoon. I did not suggest the government should keep on issuing money to carry on a program against inflation. The minister is aware that I said that if a program of expansion to relieve unemployment was likely to cause inflation, the government should implement a comprehensive program of selective control in respect of all forms of income. The minister knows—

**Mr. Speaker:** Order, please. That is not a point of order. The Standing Order makes it possible for the hon. member to speak a second time to correct a statement made by the minister, if he thinks he has been misquoted. The minister has the floor.

**Mr. Benson:** If I did misinterpret the statement of the hon. member this afternoon, I sincerely apologize. I simply repeat that the

[Mr. Benson.]

government cannot spend its way out of inflation; nor can price and wage controls, which the hon. member was really talking about this afternoon, control inflation per se. Price and wage restraint can be of help, whether it be done through controls or voluntary methods. It can be a help in the control of inflation. I challenge the hon. member to point out any country in the world where price and wage controls, without using fiscal and monetary policies as well, have ever controlled inflation.

**Mr. Douglas (Nanaimo-Cowichan-The Islands):** They have to be selective and directive.

**Mr. Benson:** Even if they are selective and directive they do not do the job if the other measures are not used as well. I challenge the hon. member to indicate any democratic country in the world where this has worked.

**Mr. Douglas (Nanaimo-Cowichan-The Islands):** The minister misunderstood me. I stated that the monetary and fiscal measures must be selective. We are not denying—

**Mr. Speaker:** Order, please.

**Mr. Benson:** Mr. Speaker, I maintain that our monetary and fiscal measures have been selective.

**Mr. Douglas (Nanaimo-Cowichan-The Islands):** No, they have not.

**Mr. Benson:** I think if the hon. member looks at the unemployment figures that have been produced he will see that the programs we have evolved aid areas which have not developed as fast as the rest of Canada, such as the Maritimes. The rate of increase in unemployment has not been as high in that area as in other areas. The exception is Quebec, where there were particular circumstances last month with regard to a great many strikes. Over 29,000 people were on strike which, as the hon. member knows, caused other people to be unemployed at the same time.

• (9:10 p.m.)

I should like to stress that until organized labour is prepared to join with other sectors of the economy in the national effort now under way to bring inflation under control, it must accept a major share of responsibility for the economic conditions which now prevail and for the resulting increase in unemployment this year. As I emphasized in the