

The Budget—Mr. Nystrom

The cost to the country could be hundreds of millions of dollars each year because we are not doing as much as we should about poverty.

• (8:20 p.m.)

The poor people in this country are not only those who are unemployed or who because of some misfortune are on welfare. There are many workers in the cities and many farmers living on a subsistence or poverty wage. These people are living in this condition because they do not have the types of opportunities they should have. Yet three or four months ago the Minister of Finance (Mr. Benson) said these Canadians can live on \$30 a week. It so happens, Mr. Speaker, that thousands of Canadians are living on less than \$30 a week. The minister is not, nor are any other people in the government. However, many old age pensioners are living in conditions that are a disgrace.

Many of the people who laid the foundations and built this country are now being forced to live on incomes that are not equal to a subsistence wage or worse. This must be changed as quickly as possible. These people are being penalized by the government. The government is waging a war against the poor people of this country by putting a freeze on increases in pensions, by creating unemployment and higher interest rates as well as encouraging a wage freeze for the working people. These are just a few of the matters that are contributing to what I call a war against the poor.

The Prime Minister has told the old age pensioners that they cannot have an increase in their pensions because if they did they would not be joining the rest of the country in fighting inflation; they would be contributing to inflation in this country. This is what the Prime Minister said the day before he acquired a few extra people for his staff and before he went scuba-diving in the Caribbean. The people of the country are not going to accept this situation. There are basic contradictions in this policy which we must change as rapidly as possible because Canadians will not tolerate the government having values of this sort.

We have to grapple with many issues, one of which is the whole question of inflation. Inflation is bad in this country, but the cure for inflation that this government is proposing is even worse than the disease. It is widening the gap between the rich and the poor and widening regional and economic disparities in

Canada. When the noted American economist John Kenneth Galbraith visited Ottawa last year, someone asked him what he thought of using the voluntary restraint method to fight inflation. He said, "You are not going to successfully fight inflation in this way. If you think you can, you are only fooling yourself; it is only nonsense." The Quebec Liberal leader, Robert Bourassa, is saying the same thing about the Liberal Party's policy to fight inflation.

To try to control inflation by voluntary restraint will not work. One reason is that there will be only limited co-operation from the Canadian public and corporations. Many small businessmen, farmers and other people in this country cannot afford to borrow money at high interest rates in order to expand their operations. These people are penalized because of this type of fight against inflation. The poor people will sink even further into poverty. Meanwhile the huge corporations, most of which are to blame in large part for the inflationary crisis, will be able to expand even faster than before. High interest rates do not affect them. They just reinvest their profits and go further and further ahead, faster than before. I am referring to companies such as General Motors, and Weston's and Safeways.

If we look at the profit figures of these corporations for the last year we see that they increased; in fact, they increased at a much faster rate than the average wage or pension of the old age citizens of this country. This type of approach only widens the economic gap: all the economic evidence points to this. Most economic experts, except some on the government side, are saying this as well. We have to change this approach because obviously it is not working.

If we are to control inflation, we have to get tougher. We have to instigate certain controls. We have to go as far as instigating wage, profit and price controls in a centralized way. This must be coupled with economic planning which will benefit all Canadians, not just the privileged few. The important point to note is that most of the inflation in Canada is a direct result of the inflation in the United States. This has been said by the Prime Minister. The Prime Minister has said that the effect in fighting inflation will be very minute because most of our inflation problems in Canada are a result of what is happening in the United States. A large portion of the inflation in the United States is as a result of the war in Viet Nam. This war