

Increased Cost of Living

all those in society who are trying to improve their lot and catch up with the others.

This kind of measure would not affect the professionals who earn a reasonable income. This is where the whole question of wage and price controls becomes so intriguing. It is easy to impose controls on the wage earner because the system is set up in a way whereby wages are determined by the employer. With a measure of this kind, whether of short or long duration, experience in other countries has shown that once you introduce a temporary freeze, when the period is over the government finds it necessary to extend it because of the complexity of the situation, and politically it is not easy to remove.

Usually, a measure of this kind affects the wage earner in all sectors of the business world. How would it be possible to introduce a freeze or control without affecting the income of non-wage earners, those who by virtue of their activity are not dependent on a salary? Are you going to say to the professionals that by virtue of this freeze, the lawyer, doctor or accountant should stop seeing clients at a certain point because he has reached his income ceiling? Conversely, will you say to these professionals that once they have reached the ceiling permitted under the measure they should serve their clients free of charge? These are questions that come to mind.

It would be very helpful if the members of the Conservative party would explain to us how they would do this without harming those sectors of society that are trying to catch up with the others, namely, the wage earners, the working poor, the unorganized workers and the organized workers at minimum salaries. How could a measure of this kind work effectively for those who are not wage earners, such as the professionals? This philosophy of the Conservative party says, "Let's freeze everybody in their place. You who are lagging behind, stay there. Those who are doing well can take it. In the meantime we might find a solution." We have not heard from the hon. member for Don Valley, except for a brief answer which lasted a couple of minutes, as to the measures he would introduce at the end of the temporary freeze.

● (2010)

I have no particular knowledge of economics, as you can see perhaps from my exposé so far. I represent the average guy who is looking to parliament for the answers. Today the onus is on the Conservative party to provide the answers, and so far they have not outlined a policy which can convince me they have an alternative to what the government has done so far.

An hon. Member: Nothing.

Mr. Caccia: They have offered only a short-term, temporary proposal without looking to see what would happen at the end of the rainbow.

An hon. Member: Listen to the speech. Read it.

Mr. Caccia: I listened to the speech this afternoon; I do not need to read it. How do you implement controls in a federal system of government unless you have full co-operation at the provincial level? How do you implement controls in a democratic society, in which I suppose one of

[Mr. Caccia.]

the motives in life is making a profit, when you have set up your own business and wish to catch up with those who are doing better, or when you are not a member of an organized union and want to catch up with people who are earning a better wage? How do you go about introducing compulsion in a society which fundamentally abhors compulsion?

The other question is, what happens when controls are taken off? Will the level of prices remain unaffected at that point, or is it likely, as has happened in other countries, that when you take the lid off, all that has been gained is lost in a matter of weeks? Have members of the opposition thought this through and, if so, what are their answers? What happens after the 90 days to the weaker segments of society who are trying to catch up with the others? Certainly a doctor earning \$50,000 a year will not be affected by the freeze, but a worker in a hospital earning \$80 a week is in a different position. How would the Conservatives allow him to catch up with the others, according to their theory?

In searching for an adequate answer we must also realize that Canada is not an island; we cannot isolate ourselves from the inflationary spiral which is sweeping the entire western world. As we all know, we are dependent on trade with other countries. How do we isolate Canada from the inflation we import? This country has to import in order to export. I heard nothing this afternoon about that aspect of the problem. The hon. member for Don Valley mentioned it briefly, but he moved on at once to another subject.

Before we embark on a temporary freeze the people of Canada are entitled to know what will happen at the end of the freeze. It is for us, as politicians, not just to provide answers which will relieve the anxieties of the moment because that course might be politically expedient, but to provide answers which will demonstrate that we have thought things through and that we have a chance to implement a policy all the way through. To me it seems the Liberal approach so far has been as sound and as effective as it reasonably could be.

Some hon. Members: Oh, oh!

Mr. Caccia: Wait a moment. When your turn comes you will have an opportunity to contribute. The government has done one thing; it has redistributed income by taxation. You take away purchasing power from those with higher and middle incomes and give it to those with low purchasing power, and you do it by means of programs of income support such as old age assistance, the guaranteed income supplement, allowances for children, programs for veterans, the Canada Pension Plan, and so on. This is a form of redistribution of income. You can do this to the extent society is willing to accept it.

When we were considering the capital gains tax in this House, who were opposing it as a measure which was thought to be the end of the world? It was the members of the Conservative party. They were opposing one of the most logical and sensible measures for the redistribution of income to permit those who have no way of defending themselves to be helped through the government's system of redistribution of income by taxation. So you take pur-