

Anti-Inflation Act

the government would put the fleet of aircraft in mothballs and in this way set an example in paring government expenditures. I can give an example. One day I was at the airport in Ottawa, on my way to the maritimes, with a stopover in Montreal, and I was talking to a cabinet minister who was also going to Montreal. I interrupted the conversation to stand in line to board the plane, and when I looked around the minister had disappeared. The first thing I knew, I saw an executive jet with "Government of Canada" on it taking off. The minister was going to Montreal on that jet when an Air Canada flight was leaving at the same time, a flight which he could have taken. Instead, we paid for the gasoline which we are supposed to be saving.

Some hon. Members: Oh, oh!

Mr. Coates: Someone says "Oh". I tell you, if people in this nation are cynical about politicians, it is because of the extravagances in which they indulge with the taxpayers' money, such as flying around in government aircraft when there is no need for it. That is the kind of thing that will destroy any chance of making this program work, because people believe we want them to take on all the things that are required to make the program work, while we do not want to do that ourselves. We must show, first of all, that we will do the job and set an example. When we set the example, they will follow. Mr. Speaker, there are many ways in which we can set examples.

Some hon. Members: Hear, hear!

Mr. Coates: One is to tell the people of Canada that we will set the example, not follow their example; that we will carry out the cutbacks first and show them we can produce. Then we can expect them to produce. We will have to show the wage earner, the little guy, that he will be as well protected as the big guy. I am not at all sure that he is convinced or will be convinced until he hears the Minister of Labour (Mr. Munro) make a speech in the House outlining the ways in which we will do it. When that is done, maybe he will get the kind of support which the Prime Minister is asking the people of Canada to give him in producing the policy that he has outlined to us piece by piece.

I would like to put on the record, for the attention of the President of the Treasury Board and in repetition, a statement made by the hon. member for York-Simcoe (Mr. Stevens) on October 14 which is a realistic assessment of the reason the government has to set the example. This is what the hon. member said, as recorded at page 8213 of *Hansard*:

Since the Prime Minister took power in April, 1968, the money supply in this country has risen by an astounding 111 per cent, a 15 per cent increase in the last 12 months alone. In the same period we find that inflation has gone up 58 per cent. This is the inflation that the Prime Minister spoke of breaking back in 1969.

Perhaps most significantly during this period, the government's own spending has jumped by 192 per cent, it has almost doubled, yet in 1969 we had a prime minister who had the nerve to suggest that his government in future years was going to be a government of restraint with respect to monetary growth and government spending.

The 192 per cent increase in government spending is the reason most Canadians will not believe the Prime Minister and will not believe us when we are talking about

[Mr. Coates.]

restraint. What we must do very soon is show the Canadian public that there is real restraint in the minds of the Government of Canada and members of parliament, and then perhaps we will get them to support us and make this program work.

● (1720)

[Translation]

Mr. Eudore Allard (Rimouski): Mr. Speaker, the steps advocated by the government are no doubt essential under the circumstances. It is obvious that Canada is facing a serious inflation problem, but we must also admit that if our country continues to suffer from the excessive rate of inflation, it is merely ascribable to the various ineffective measures advocated by the government for years to eradicate the said evil.

There is no doubt, Mr. Speaker, that it is more than ever essential to find some solutions in the shortest possible time to thwart that serious problem, but if the malaise persists or continues to worsen at this rate, it will surely compromise the already precarious economic balance consequently increasing the rate of inflation throughout the country.

Of course, I agree that in our present system there is no easy way to solve the inflation problem. But I doubt that the proposed government measures to control inflation will produce the expected results. Furthermore, the battle undertaken by the Prime Minister on October 13 is puzzling a great many people and is causing more apprehension than satisfaction.

Again I feel almost sure that the proposed austerity measures and the efforts of the government and its economists in the next three years will not cope with this problem. There is no doubt whatever we are living in a very critical period, we are in fact on the threshold of a depression that may take catastrophic proportions and perturb our society.

Mr. Speaker, the measures the government intends to take are unclear, but at least one thing seems very clear to me; it is that the anti-inflation program emphasized the seriousness of the economic situation in Canada and at the same time focussed the attention of the whole population on the problem about which we are most concerned.

We notice, Mr. Speaker, that all governments have been invited to cut their expenditure but not to freeze them. Moreover, businesses will be able to boost their prices only by as much as their production costs have increased, but ordinary people do not know how to figure out the cost of production. I sincerely believe there is plenty of room for acrobatics in that area.

It is very easy to show once and for all we want to do is to control wages and bring the unions down to heel to save our country from the disaster that awaits us if we are not careful. There is no doubt either that to succeed we must control prices.

As a matter of fact, I was just reading an article containing the comments of the Quebec Food Council and the Quebec Producers Union. The government should at least have prevented grain prices from being determined on the open market by the Winnipeg or Chicago grain exchanges.