

Cost of Living

unintentionally dishonest in this respect. I have noticed in the statements of the New Democratic Party that they now link the percentage of profit to the increased percentage of sales. The leader of the New Democratic Party (Mr. Lewis) is more knowledgeable than I am in these matters and he knows that profits escalate as you progress beyond the break even point. That is logical. By linking the two you are unintentionally inferring that people are being gouged in this country.

The shortage in this country is not in the manufacturing sector. We need to stimulate secondary industry. Our shortage lies in our primary products, which means that this country is rapidly reaching the point when we have to decide where our priorities lie. Are we to sell everything to other countries because the price is better, or do we have to adopt more two-price policies for our primary products? I cannot answer that, but one day we will have to sit down and debate this problem as true Canadians. That is where the shortage lies, and we know it. Can anybody tell me of shortages of secondary goods on Bank Street, if people have the money? Can anybody tell me that our factories are producing to capacity other than pulp and paper, which is very cyclical?

This is a very serious subject, Mr. Speaker. As the hon. member for St. John's East (Mr. McGrath) said, quite validly, the innocent victims are always the same people—the poor, the defenceless, the people who cannot defend themselves. Yet when the Prime Minister (Mr. Trudeau) tries to defend them by social policies, by increasing the family allowance, subsidizing milk, rolling back the price of bread and doing the things he did, he is accused of putting the wrong problem first. Which way would you rather have it until the economists have an answer to it? At least you can make inflation bearable for the people whose incomes are substandard.

Mr. Speaker, I have been around this place for a long time and I can play politics with the best of members. I know this is not a subject to play with because inflation cuts into the income of every Canadian. There is no argument about that. But most Canadians can look after themselves because inflation is a relative thing and everybody knows, deep in their hearts, that the average worker is protected by a good trade union. That includes doctors, who have their own trade union, and lawyers who set their own fees, and all the rest of the trade unions that parade under other names. Once you pay your taxes and buy the luxuries that have become necessities in this country, you still have a greater net income today than ever in the history of Canada.

Some hon. Members: Hear, hear!

Mr. Mackasey: What we have to be careful about, particularly in my province, is that we do not widen the gap between the "haves" and the "have-nots". This is a bigger danger to the federal system than all the problems, save language, that we have heard. The poor of Canada are tired of being poor. They have a voice. They are articulate. They are intelligent. They speak out. A man of 52 who is out of work wants someone to look after his income. He needs that. He should not be made to feel like a second class citizen because somewhere along the line the state provides him with an income because no one else will.

● (2050)

At the same time, private industry should not be burdened with the problem of featherbedding. By the same token, it should be made to pay for the social policies that we in this government and this parliament have a responsibility to introduce periodically. I have criticized the Prime Minister (Mr. Trudeau) openly as much as anyone else in the House of Commons, but I at least congratulate him for establishing the priorities he did a few weeks ago to help the victims of inflation first.

Some hon. Members: Hear, hear!

Mr. Mackasey: There is a lot I would have liked to say but I will respect the time limit and not make the role of the Speaker any more difficult. The Minister of Finance (Mr. Turner) speaks for himself, which he properly has done. However, I know the Bank of Canada does not advocate a tight money policy, perhaps one of moderate restraint, but you are not going to restrain people by higher interest rates.

The Bank of Canada sets the prime rate. A small businessman who comes into a bank on a Friday for the payroll will take it at any interest rate because it is the difference between continuing for another week or bankruptcy. A developer does not mind paying a 15 per cent interest rate if he can recoup 30 per cent. I remember fighting price and wage controls a couple of years ago. Why? Because of the inequity with which it was being administered. Wages were to be controlled. Prices were to be controlled. In the meantime, interest was to go sky high, rents were to go as high as anyone wanted and all other sources of income were to be free from any type of restriction.

If you advocate wage and price controls for 90 days or 120 days, as Galbraith suggested, the problem will be what you do when they are removed. You do what they did in the United States. You pay double for the price and wage control. That is not the answer. The answer is selective wage and price controls, if any at all.

Mr. Deputy Speaker: Order, please. I deeply regret interrupting the hon. member, but the time allotted to him under the rule adopted earlier by the House has expired. He can continue with unanimous consent.

Mr. Mackasey: I prefer not to, Mr. Speaker.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I always like to follow the hon. member for Verdun (Mr. Mackasey). Over the years in this institution we have been friends. I recall when our party was in power and we had a minority situation. I had a problem in the family and I called him. He agreed to pair with me on that occasion although we had instructions from our leaders there would be no pairing. For years we have enjoyed each other's company.

Tonight I want to deal particularly with what I consider, outside of the cost of food, one of the most serious crises in our nation, namely, national housing. This problem has been brought about and aggravated, not only by the policies of this government but by high interest rates