

*Anti-Inflation Act*

What a boon that would be! I said earlier that the problem is not indexing. The problem is inflation, and if we can get that problem licked, the problem of indexing would also be solved. The Prime Minister said he would wrestle inflation to the ground. He therefore must think that there is some hope of getting inflation under control.

I previously mentioned the unemployment insurance deficit of about \$2 billion. I think it is unfair that taxpayers who are not entitled to unemployment insurance benefits should be called upon to pick up a portion of the deficit. That deficit is an inflationary expenditure which the Unemployment Insurance Commission makes every year. Many self-employed people, retired people, young people and others who are not entitled to unemployment insurance benefits have to pay their share of the deficit.

Another matter the government might examine is the cost of operating the House of Commons. It costs \$80 million a year to operate this House. That is not a big price for democracy, but it works out to about \$9,000 per hour. I suppose one could say we wasted \$18,000 last night with our bell ringing effort.

It is the intention of the government to increase the representation in the House of Commons every ten years until the turn of the century. Many of my colleagues ask why we need a larger House of Commons. At the moment each of us represents 85,000 or 90,000 people. Other countries have much larger constituencies. In the United States, for instance, each member of Congress represents about 400,000 constituents.

• (1612)

Another major area that the government should get under control is Crown corporations. Is it really necessary for the Canadian Broadcasting Corporation to show a loss of something like \$400 million or for the Post Office to lose about \$600 million? I do not know of any other business which manages to spend \$2 for every \$1 of revenue. The government has not given sufficient consideration to these areas.

We must ask ourselves why the government has such a lackadaisical, don't care attitude toward inflation. One reason that springs to mind is that the government itself is the chief beneficiary of inflation, so why should it do anything to control it? It borrows money in year 1 and pays it back in year 20 with dollars only worth half what they were in year 1. It pays interest on bonds and borrowings at about 8 per cent, which is lower than the rate of inflation, so the taxpayer is already going in the hole. Then it adds that on to his other income and charges him tax on it as well. Things are very bad for the individual but they are good for the government, so it is easy to see why the government wants to continue having inflation. It has the tools at hand, it has the controls it needs to do something about inflation, but it will not because it does not see that as a popular measure.

Last week the Standing Committee on Finance, Trade and Economic Affairs visited Washington to talk to economists there. The theme with liberal economists there was just the same—and I use the small “l” liberal advisedly. They said they had reduced inflation to 6 per cent and, although they

knew that is still too high and will have disastrous results in the long run, they were advising the government not to do anything about it for a few years.

In a recent speech President Carter of the United States said that he hoped to balance the budget by 1981. Nothing that the economists could propose was seen as a politically acceptable solution to inflation. They know how to solve the problem all right, but the government will not allow them to do it. I suggest, Mr. Speaker, that a new government in this country would show that something could be done and something would be done.

I am afraid I have gone on for a long time, Mr. Speaker, but it is important to bring some of these points up in the debate, and I hope it will be a rousing debate that follows.

To get back to Washington for a moment, after a depressing week listening to all these liberal economists saying that they did not know what to do, or were not willing to do anything about inflation, the one bright spot was provided by the former secretary of the treasury of the United States, William Simon. It is worth noting that Mr. Simon was a long-time personal and political friend of a former minister of finance in Canada, Mr. John Turner. Mr. Simon told us that he frequently came to Canada to comfort his friend who was having a very difficult time trying to talk this government out of imposing controls. There is absolutely no doubt in my mind that the former minister of finance knew that controls would not solve our problems and that he refused to implement them. It is particularly interesting to note that not three weeks after Mr. Turner's resignation the Prime Minister announced the program of controls.

I hope I have made it clear, Mr. Speaker, that the responsibility in this matter lies with the government. As I have illustrated, using the example of the Minister of Justice, the government is not using its own money when it hands out largesse. The government is a trustee of the money it takes from the people of Canada and has a duty to spend it more wisely than has been evidenced in the last ten years or more.

Inflation must be reduced. After 2½ years of controls, however, it is increasing, as the government's own figures show. Hon. members opposite seem to think there is something strange in what I am saying, but the strange thing is that nothing has been done on that side to solve this problem which is hurting all of us and bringing the country to the brink of financial collapse.

In ten years this administration has done nothing to solve the problems of inflation and unemployment, nor the over-all economic problems in the country. It is absolutely vital that some positive action be taken if we are not to face economic collapse.

**Some hon. Members:** Hear, hear!

**Mr. Edward Broadbent (Oshawa-Whitby):** Mr. Speaker, what we are witnessing with this bill is another marvellous reversal in the series by the Prime Minister (Mr. Trudeau). Canadians will recall that in 1974 he took off his jacket,