

*Anti-Inflation Act*

of Canada, the average for 1974 was 11.4; the average for 1975 was 10.6. So, again, it leads one to wonder very seriously how convincing an argument can be made that things are suddenly worse now, in terms of inflation, price increases, and so on, than they were a year and a half ago. Indeed, we can make a much more plausible argument for saying that things are better now, as shown by the statistics which I have just quoted. So basically nothing has changed except for the better. We know it, the people of Canada know it, and the government knows it. Neither inflation nor unemployment is worse than it was 15 months ago. They have simply continued at the same high levels or slightly better, putting the country on a collision course until, as if in some colossal game of "chicken", the government's nerve finally broke. Whatever the reasons, the government is now for controls. Little wonder the people of Canada are asking, which is the real Pierre?

I wonder which of his own statements the Prime Minister believes. He has been strangely silent in this debate. He spoke on television a week ago, on Thanksgiving Day, announcing the program; but in the House he has been totally passive. The question is, why? Could it be that he, himself, does not believe in this program? Perhaps he finds it too repulsive to defend. He may simply be going along with it because, in typical Liberal fashion, he feels that the wind is blowing right for the program at this time, or perhaps he realizes the danger for him and for his job as Prime Minister of bringing in a program which could well lead to the downfall of his government. He must be aware of the fact that he may come out of this as Peter the Great, or Ivan the Terrible. To ensure that he is not the latter, or possibly to save his own hide, he has chosen to remain silent, at least for the time being.

Let us look at some of the ways which the new Minister of Finance has defined this sudden, momentous change. In his white paper entitled "Attack on Inflation" the minister approaches this matter from several angles, all of them oblique. He says:

In a speech he made to this House on October 14 the minister encountered further difficulties, like an aesthete trying to point out some beauty in a painting so subtle that perhaps it does not exist. He said:

—the powerful and deeply entrenched inflationary forces racking our economy now imperil our prospects for the future. We have reached the point where there is a very real danger that if inflation is not halted and reversed, it will grow to even larger proportions—

When inflation reaches a certain point . . . Inflation ultimately inflicts grievous damage . . . We in Canada are already beginning to live some of these experiences . . . The risk has mounted—

It must be admitted that the minister's speech also alluded to some vague deterioration in our economic stance vis-à-vis the other major trading nations of the world. No doubt this sudden knowledge appeared in the first week of October. It is still very difficult to accept the explanations for the sudden change. While we are in the midst of admissions, the minister has made one or two of his own. In both the white paper and his speech he admitted that the real reason he and his government are at last taking action is that the Canadian people have finally pushed them into it. In the white paper he says that the evidence of widespread and deep-seated concern in the country shows that rising inflation and unemployment is unacceptable to all Canadians. We told him that a long

[Mr. Yewchuk.]

time ago, at least two years ago. In his speech he said the following:

—I think the vast majority of Canadians are convinced that the time has come when we must all pull back.

In other words, when finally the majority of the Canadian people, with all their limited access to economic information and expertise, can themselves see the intolerable nature of continued double-digit inflation, then the government decides to move—and this is the party which campaigned during the last election on a platform of leadership! It reminds me of a person watching the way in which a group of people is going, and then running in front to lead them in that direction.

This is the wrong time to begin a fight against inflation in Canada. It should have begun over a year ago. The government's proposals for the fight are the wrong proposals. They are weak where they should be strong, harsh where they should be mild, ramified where they should be fundamental, and insufficiently worked out where they should be rigorous and thoroughgoing. For example, with regard to housing, how can any one deduce from the legislation being put forward how the cost of housing will be reduced? How will the construction industry be controlled? We have not seen anything at all suggesting certain monetary policy changes which must accompany this kind of legislation, if indeed in the long term anything useful will come from an attempt to fight inflation.

Right from the start, before this legislation even exists, the Minister of Agriculture (Mr. Whelan) has been campaigning to have marketing boards excepted from the anti-inflation program, and the Postmaster General (Mr. Mackasey) has made it clear that postal workers whose contract is now being negotiated will also have a free hand. It leads one to wonder how much cabinet solidarity there is on this matter when as soon as this program is announced two ministers struggle and fight for exceptions within the areas of their own jurisdiction.

The proposed legislation comes down hard on wages and salaries but offers no machinery to match the labyrinth of possibilities for thwarting the intent of the law through unjustified increases in prices. There are already indications that this is happening, that profits and prices will increase rapidly before the machinery for monitoring them is in place. The anti-inflation board which the government is in the process of establishing will, under the proposed terms of this bill, be far too independent of parliament—except in the opinion of the government which seeks to create it. Moreover, it will be more liberally endowed with power than is necessary for it to accomplish its task.

● (1610)

Monetary and fiscal measures which were part of the anti-inflation plan my party put forward in 1974 have received scant attention. There is evidence to suggest the government assembled this program hastily during a weekend. We know that controls by themselves cannot succeed; that is, they can succeed only to a limited degree. We know that other long-term policies must be introduced if there is to be long-term success. As to the government's self-restraint, how likely is that to happen, considering the attitude of the party in power? There will be virtually no new cutbacks in government spending in the current