

*Price Stability*

Canada lectures ordinary working people to show restraint, I suggest he might begin by showing some restraint himself. The Deputy Minister of Finance has also been quoted as supporting the government's policies of restraint. On September 1, 1963, the Deputy Minister of Finance was being paid \$24,000 a year. In September, 1969, the Deputy Minister of Finance was being paid between \$37,000 and \$40,000. The increase in that seven year period was far superior to anything the average worker would have received.

● (4:20 p.m.)

On September 1, 1967, the Deputy Minister of Indian Affairs and Northern Development was being paid \$26,500. He is now being paid between \$35,000 and \$37,000 a year. That is a pretty substantial increase in three years. So it goes on down the list. The deputy ministers are doing very well. I am not complaining. Most of them are probably well worth what they are being paid. However, I suggest that restraint should begin with those who can afford it. If we expect the workers to show restraint, we must set an example. This is not being done by those who are setting the policy.

The Minister of Consumer and Corporate Affairs said he could not understand the program and policies of the NDP in relation to the inflationary spiral which we are encountering. It is not that difficult to understand, but the minister does not want to listen. We reject the policy of the government concerning voluntary restraint in fighting inflation in Canada. We submit that policy is futile. In saying this we are joining the best advisers, some of the most eminent economists, academic and professional, in this country.

I wish to quote from the last annual review of the Economic Council of Canada. This council was not appointed by the NDP; it was set up by this government. Some of its members were appointed by this Prime Minister. I quote:

Further fiscal and monetary restraint could conceivably result simply in higher rates of unemployment and economic slack with no more than marginal effects on current rates of increase in prices and costs.

That report was issued last September. I say to the minister that the members of the Economic Council were a hell of a lot more correct in their predictions of what would happen than the governor of the Bank of Canada, the chairman of the Prices and Incomes Commission and the Deputy Minister of Finance, to whom the government listens.

The government does not want to listen to its own Economic Council.

I wish to put on record some comments by the best academic economists in this country. I quote from an article which appeared in *Toronto Star* of April 20, 1970:

Montreal economist Jack C. Weldon,—

A professor at McGill University.

—said the policy has resulted in 12 per cent of French-speaking males in Quebec being out of work.

This will be translated into Parti Quebecois and Creditiste votes in the April 29 Quebec general (election), the McGill University professor warned —and will threaten national political stability.

By coincidence I am speaking on April 29. I wonder whether the Minister of Consumer and Corporate Affairs would care to speculate either publicly or privately about how many hundreds of thousands of votes the Parti Quebecois will get today because of the stupid restrictionist policies being put forward by this government which supposedly believes in one Canada. Professor Weldon goes on to say:

The government has allowed its prestige to be tied to a goal that was irrelevant and could not be achieved destroying inflation... and it has abandoned its power to attain a very important goal: A reasonably high level of employment—

Senator Lamontagne, a former cabinet member, a man who had served on a number of royal commissions, recently made a speech in Toronto. This article in the *Toronto Star* reads in part:

Senator Maurice Lamontagne, an economist and former Liberal secretary of state, reaffirmed last night his belief, expressed in Toronto last month, that Ottawa's policies demonstrate an "unconscious cynicism" since their main effect is "to reduce employment and curb the development of the weakest spots in our economy."

Later on the article states:

Mrs. Rosalind Blauer, assistant professor of economics at Brock University in St. Catharines, also disagreed with Trudeau's analysis of unemployment.

She said Canada is buying very little gain in price stability with major sacrifices in production, and at heavy social cost.

She argued that pensioners and welfare recipients are the only ones really hurt by inflation, and that the government could compensate these groups for inflation at relatively little cost to the rest of the taxpayers.

That is a concrete suggestion. Of course, the government will not listen because it does not fit into their Hoover-type of economic thinking. We regard the Prices and Incomes Commission as a patsy and frontman for the