

*Federal-Provincial Conference*

With reference to price increases, we have no indication whether or not there will be sanctions, whether the Prices and Incomes Commission is to have any teeth to prevent price increases. As a matter of fact, the guidelines that were issued by the Prices and Incomes Commission at the Price Stability Conference indicated that industries and corporations were to inform the commission with respect to price increases but not necessarily in advance of the price increases being put into effect. What does that mean? It means that what we are really witnessing is an attempt at profit maintenance. Many of these industries have raised their prices several times in the last few months. Many of these prices had already resulted in exorbitant profiteering. Now some of the industries are saying that they are prepared to hold the line. It is rather like the old lion who has eaten his fill of meat and who says to the young lions, "Let us go on a vegetarian diet". It is perfectly clear that the government has no intention of having the Prices and Incomes Commission review prices publicly so that the public will know who has been pilfering the consumers' pockets; they have no intention of giving the commission the necessary teeth not only to stop price increases but to roll back those price increases that are unjustified.

Finally, may I say that the Prime Minister's statement and the report of the Tax Structure Committee make it perfectly clear that the policies being pursued by this government are rapidly destroying national unity. The Tax Structure Committee has shown that the federal government will have continuing surpluses and that the provinces and the municipalities will have continuing deficits. Yet the Prime Minister says in his statement that the provinces have made it clear that they intend to make every effort to balance their budgets. If they are going to balance their budgets, the only way they can do it is to curtail services and to cut back on necessary projects such as hospitals, schools and old people's homes. Some of the provinces have already indicated their intention of opting out of joint federal-provincial programs, particularly in the fields of health and welfare. Some of them may have no choice. If they have to cut their expenditures, they may not be able to pay their share of the joint programs, and the Prime Minister's statement today offers them no consolation whatsoever.

National unity in this country does not depend only on linguistic equality. National unity also requires equality of opportunity to enjoy basic social welfare, health and

[Mr. Douglas (Nanaimo-Cowichan-The Islands).]

educational services. The course which this government is pursuing is going to make it increasingly difficult for the provinces that are less well off to provide these services for their people. It is ironic that if the Prime Minister, who was elected on a one-Canada program, continues his present policy he will go down in history as having contributed more than any other Prime Minister to the disintegration of Confederation.

[Translation]

**Mr. André Fortin (Lotbinière):** Mr. Speaker, first of all, I wish to point out that I deplore not having received a copy in French of the statement of the Prime Minister (Mr. Trudeau). This might be because of the government's anti-inflation program.

According to the Prime Minister, the conference just ended was a real success. It was with interest that I listened to him on the CBC television network yesterday, giving a lecture on the distribution of tax fields between the federal and the provincial governments, which he concluded by saying that his attitude was indeed logical and that this was a truly efficient anti-inflation policy.

Let us ask ourselves the following question: To what success was the Prime Minister referring?

In reading the two and a half pages of French in the statement handed to us a minute before this sitting began, I note what sort of success the Prime Minister may have had in mind. Here it is:

According to the report, the revenue-expenditure projections indicate a continuing surplus for the federal government, but an increasing deficit at the provincial-municipal level.

In the opinion of the Prime Minister this is success. In any case, if there is a budget surplus at the expense of the provinces and municipalities, it does not matter to him. The essential thing is to achieve some success. This is, therefore, the kind of success that is looked for. But how can this budget surplus be explained? The Prime Minister shows us on the third page of his statement.

But I think it was realistically accepted—

According to the Prime Minister, success is on a par with realistic acceptance.  
—it was realistically accepted—

He is referring to the provinces.  
—that we cannot reduce our taxes in favour of the provinces, spend more to meet many worthy needs and achieve an anti-inflationary budget surplus all at one and the same time.