

*Anti-Inflation Policies*

One member who spoke before the supper hour did not appear to be really concerned about the unemployment picture. He tried to play with the figures and say that they were seasonally adjusted. He suggested that the figures really do not mean very much. The fact remains that the unemployment situation is of major concern to those people who are unemployed, to the communities which have an unemployment problem on their hands, and to those families where the breadwinner is unable to bring in the money in order to put something in the cupboard.

I suggest that the motion of the official opposition which condemns the government's arrogant acceptance of recession is quite in order. Anyone who suggests that the government is really concerned about unemployment and inflation is playing with words and being frivolous, to say the least. I believe there is no question that if this government were deserving of support it would come up with a program to assist the people who are unemployed. I close by saying the choice is still up to the people—inflation or unemployment. If this is the choice, then this government is suspect and always will be.

**Mr. Steven Otto (York East):** Mr. Speaker, this is a motion to condemn the government. I am not sure I like the word "condemn"; it has a connotation of remaining in purgatory forever and ever. It requires a great deal of sin to be put into purgatory. I rue the day the government decided to adopt this policy. I disagree with it entirely.

**An hon. Member:** Are you with or against us tonight?

**Mr. Otto:** I am with the people of Canada. This is an unfortunate policy. I am really quite puzzled how this government could have become entangled in this antiquated solution to inflation. This will be the last restrictive measure ever accepted in Canada, because it just will not work. It never has worked. The thing that troubles me is that this government had the views and advice of Members of Parliament and the public in respect of various reforms. It introduced the Criminal Code amendments, the corporation amendments and the Arctic sovereignty policy. All these things took a great deal of guts and research, but the government went ahead.

Why did the government not introduce expansive rather than restrictive programs in respect of inflation? Sometimes I am inclined to believe the Prime Minister (Mr. Trudeau)

[Mr. Skoberg.]

has to be very cautious. When he was first elected leader of the party he suggested there was too much input by establishments, by civil servants and by the mandarins and not enough by the representatives of the public. He said he intended to be aware of this. He started out that way.

The establishment grew and his own establishment has grown also. The Leader of the Opposition (Mr. Stanfield) referred to Machiavelli. If the Prime Minister were a student of Machiavelli he would have read the chapter which states that princes and leaders need to beware of subalterns and administrators. Theoretically, they are to advise the leader of those things he should hear. But as time goes on the administrator advises the leader of those things which the leader likes to hear. In every administration the same rule holds true, and there is probably no difference here in that respect.

• (8:30 p.m.)

Now I intend to examine the issue which is really the core of this debate. If, indeed, inflation has resulted because Canadians take more out of the economy than they put into it, the choice is this: shall we take less out, or put more in? There is a difference. Shall we restrict, or shall we institute those policies which will make the economy expand? Some time ago I was questioning Dr. Young on this theory and asking him to simplify it. I asked, "If in any plant where production has increased by 10 per cent you increase wages by 7 per cent, will that increase be inflationary?" He said no, it would not be inflationary so long as the increase in production exceeded the increase in cost. There you would have more efficient production, and of course we could live with wage increases in those circumstances. Having said that, though, he admitted that he must follow the conventional thinking when making recommendations to this government on how to cure inflation. The government is not determined to create unemployment—

**An hon. Member:** What?

**Mr. Otto:** It is not determined to do anything—

**An hon. Member:** That's right.

**Mr. Otto:** —in this regard. I hear hon. members making comments. Hon. gentlemen have always enjoyed making comments. The ministers are good fellows and will not breathe a word of what I say to the cabinet or