

*Increased Cost of Living*

● (2100)

All of us would like to think that there is an easy way to end inflation. This afternoon I listened to the hon. member for Don Valley (Mr. Gillies) express the rather wistful hope, with an evangelical appeal, that all we need is good will amongst men and then this thing would work. I only wish it were so. I have the greatest respect for the hon. member but in this particular case I really must question his judgment. The things he suggested are not going to correct the serious problem that inflation has become, not only in Canada but internationally.

To suggest a 90-day freeze is to assume that inflation is a psychological problem—it is in our heads and therefore the Conservative party is going to knock it out of our heads in 90 days. It is sort of a couch for the whole nation on which we get security after 90 days. Surely those of us who have worked on committees dealing with economics know that inflation is a worldwide problem with deep roots, and is not going to be solved in 90 days or cured by psychological attacks on it.

We all read the polls, and it is true that the people of Canada are very much disturbed about the problems of inflation and their security. If you were to ask the people in a straightforward way, without any qualifications, if they want an incomes policy, if they want controls, I think because of this insecurity there would be a tendency to say that they want it. But it is important to follow that question with a series of questions asking to what extent they are personally willing to accept controls on their incomes. We would find then that the percentage of support would drop substantially. I did a poll of my constituents and asked this question. Many of them replied that they personally were not the problem. Mr. Speaker, it is always the other fellow who is the problem. For the worker, the boss is the problem; for the boss, the worker is the problem; for the consumer, it is the farmer; and the farmer remembers the lean years and thinks everybody else is the problem.

Knowing how the people feel, I think we do a terrible disservice to the nation to prey on their insecurity. At the very best, the suggestion of control is a futile gesture and at the worst a cruel joke that will end in frustration and anger. I am not suggesting for one moment that those who are advocating it see it in that light, but I hope hon. friends to my right will excuse me if I express myself forthrightly and say that I see it in that light.

How will it work? After all, some of the people who are advocating this policy are very intelligent. I do not for one moment discount the background and knowledge of the hon. member for Don Valley. I may have reservations about some of his colleagues, but none about him. So how will it work? Would somebody explain that to me because I, too, would like tranquility. I do not like to see prices rising and Canadians disturbed every time they go to the supermarket or buy a gallon of gasoline. I would like to have some kind of wand to wave over the situation—whether 90 days or 120 days—so that the whole thing would go away like a bad dream. I do not know how it would work, Mr. Speaker; all I know is that it would benefit relatively few people.

The first thing that comes to mind is that the old age pensioners must surely benefit from a price freeze. The old

[Mr. Saltzman.]

age pension is now geared to the cost of living, so perhaps there is less urgency in that direction. But suppose the price freeze had been suggested two or three weeks ago when parliament was proposing to increase the old age pension—would the old age pensioners have benefited, or would they have been frozen into a situation that could not be corrected for a long time? What would have been the answer of government, Liberal or Conservative, in a case like that? We know the Liberal answer. Would the Conservatives have answered in a better way, or would they have said that the 90-day freeze would stick because if an exception was made for one group then another would want to be excepted, so there would be no increase in the old age pension?

I recall when the government of Canada, in one of its most confused states when it had a majority—that always tends to confuse the government of Canada—decided that the most serious problem facing this country was inflation and that they were going to fight it to the death. They did not care how many people they threw out of work, Mr. Speaker—and they threw a lot of people out of work. We kept asking, as did the Conservative party, for an increase in the old age pension, but it was refused because we were in a fight against inflation.

We saw the old age pensioners of Canada held as hostages in that silly and futile fight that could not be won. We might have had an increase in the old age pension two or three years ago had it not been for the attitude of the government that they could not give an inch in the fight against inflation. We think the last election cured the Liberal party, or at least some of them. Is it going to take another election to cure the Conservatives as well?

Take the problem of the poor. Are they to be frozen into a situation they do not deserve? Are they living in affluence now? Are they contributing to inflation? Are they to be penalized because of a freeze? How do you help them when you freeze them? Suppose the government exercised worse judgment than it has in the past and listened to the Conservative party and brought in a freeze. What would it mean to the family allowance? We are trying to get it introduced in July because we do not want to wait until the end of the year. It should be done now. If there were a 90-day freeze, there would be no increase in the family allowance or any kind of transfer payment no matter what the merits of the program. Is this what is being suggested to parliament as an intelligent proposition?

Then what about the farmer? We warned everybody about the problem two or three years ago when the farmer could not even cover the costs of production. Some other members spoke in this House on behalf of the farmer, but we raised the uproar here and in the country when the farmer could not get a decent return for his work. Now that he is starting to get it, are we to decide that he is to be frozen and has to pay the price? Perhaps it could be said that the industrial workers have strong unions and should be stopped because they are making more than other people. Every attempt in this direction has failed. We sometimes point to Sweden as a model of industrial peace and intelligent labour-management relations. Once a year everybody sits down to a discussion. That is all very well, except that in Sweden they have a disease called "creep". This means that if there is a tight labour market and a