

*Cost of Living*

However, I can understand the hon. gentleman not wishing to continue that tradition.

What this debate is again about is a difference in analysis as to the cause of the rise in the cost of living in this country. Although, as the Prime Minister (Mr. Trudeau) said again today, the government has undertaken contingency plans for price and incomes control we have concluded, and repeatedly said to the House, that in the circumstances which have existed in this country and in the world up to the present, controls would bring about no lasting improvement in our price performance and that they could, indeed, do considerably more harm than good, a danger which has been borne out by the experience of the United States.

**An hon. Member:** I think not.

**Mr. Turner (Ottawa-Carleton):** The basic cause of the inflationary pressures which have faced us up to now has been the world imbalance between demand and supply in relation to a large number of agricultural and industrial commodities. This is a problem which could not possibly be resolved in an effective way by the imposition of price and wage controls. If the cause, as we analyse it, is insufficient supply and overwhelming demand, the imposition of controls imposed against that supply would not increase the supply but discourage it.

**Some hon. Members:** Hear, hear!

**Mr. Turner (Ottawa-Carleton):** The experience of controls both in the United States and the United Kingdom has made it conclusively clear that in a situation where supply fails to meet demand controls are no solution to inflation. I have always recognized that if it became evident that the fundamental nature of the problem had changed, that the main source of inflationary pressure was arising not from a shortage of world commodities or not from an imbalance between world supply and demand but primarily from a domestic spiral of cost and prices, to policy response of the government might well be different. But on the basis of the facts as we see them we do not believe the solution is that suggested by the Leader of the Opposition (Mr. Stanfield).

The major aim of a long series of government policies has been to encourage an increase in supply through the expansion of our productive facilities, an increase in supply so as to get to the root of inflation and ease the pressure of rising prices on the budgets of Canadian families, particularly those on low and fixed incomes and the prevention of any attempt to exploit inflation by profiteering. These policies are not band-aids as suggested by the Conservative leader. They represent carefully selected, carefully coordinated measures, more comprehensive than anything the hon. gentleman has put forward even within the terms of the hon. member for Témiscamingue (Mr. Caouette). The Leader of the Opposition made much of the forecasting. But any reasonable Canadian could have arrived at what was happening to meat prices, what was happening to food prices generally, what was happening to world commodity prices.

Any reasonable Canadian, Mr. Speaker, would have known that the statistics reflecting the situation in the first week of August and published today would show an

[Mr. Turner (Ottawa-Carleton).]

inordinate increase in the cost of food and in the cost of living. No magic ball was needed to make such a forecast. No superhuman gifts were required to make such a forecast. For the hon. gentleman to express surprise at those statistics today, knowing that parliament and the country were dealing with these issues both this week and last week, knowing the government announced its program on August 13 and again on September 4 in recognition of those very facts, is phoney and just doesn't stand up to examination.

**Some hon. Members:** Oh, oh!

**Mr. Hees:** What are we going to see a month from now?

**Mr. Cafik:** On a point of order, Mr. Speaker. With all respect to the hon. members of the House, may I say I listened with attention to the Leader of the Opposition and I should like to hear what the Minister of Finance has to say. I ask members opposite to allow the rest of us to listen.

**Some hon. Members:** Hear, hear!

**Mr. Hees:** Tell us what we are going to see next month!

**An hon. Member:** Why don't you shut up?

**Mr. Speaker:** On the point of order raised by the hon. member for Ontario, I would refer hon. members to Standing Order 12 to the effect that when a member is speaking no member shall interrupt him, etc. All members should read that standing order sometime. I believe that when a member has the floor he can, perhaps, expect some degree of good-natured interruption, but I really feel we are not achieving very much for the decorum of the House and the orderly conduct of our business if, when a member is speaking, there are shouts, interruptions and catcalls which contribute nothing to the debate and which make it very difficult for the Chair to hear the member who has the floor.

**Some hon. Members:** Hear, hear!

**Mr. Turner (Ottawa-Carleton):** I want to thank the hon. member for Ontario (Mr. Cafik) for his intervention but I assure him that, for the moment, I do not think we are in any trouble here. I would hope that as the clock ticks on Your Honour will take into consideration, with your usual generosity and impartiality, an extension of the time available to me.

In furtherance of these objectives, in order to increase supply, which is the only really effective antidote to the imbalance of world supply and demand affecting Canada and as a means of protecting Canadians, particularly those on fixed and low incomes, against the erosion of the dollar, the government has consistently, in both budgets, and again in the measures announced on August 13 and September 4, followed and implemented the following policies: the budget measures reduced personal taxation by \$1,300,000,000, putting that money back into the pockets of taxpayers for a maximum of \$500 and a minimum of \$100.

**Some hon. Members:** Hear, hear!