

Anti-Inflation Act

was 4.8 per cent and the inflation rate was 3.3 per cent. At that time that was a rate the government could not tolerate, and during that famous war unemployment was increased to 6 per cent. The Prime Minister and the country ought to be reminded of his statement. Then he called his policy "strong medicine", and he said at a press conference:

There are a lot of people in this country who are bargaining that, oh well, the government can't hang tough for too long because the government will only get frightened when it sees unemployment go up to six per cent. But if people think we are going to lose our nerve now, they should think again; we're not.

No wonder the Prime Minister does not like the press, because it sometimes reports what he says. The government did not win that battle against inflation. As a matter of fact, now we not only have high unemployment we also have high inflation. Who were the fall out victims of that war? They were the unemployed, some 700,000 of them. Let us not forget who were the ones really hurt by that high unemployment. Those who were hurt the worst in that war on inflation were those workers under the age of 25. The youngest workers in Canada were hurt by that war on inflation. The unemployment rate among the under 25 age group became the highest among all groups unemployed in Canada, and inflation hit double digit figures. That was the battle the government fought then.

Now the Liberals have decided that once again inflation is their enemy No. 1, and once again we are to be treated with another dose of strong medicine. This time they will not admit that they are starting out deliberately to increase unemployment. But thousands and thousands of Canadians will be out of work, which will perhaps be somewhat of an embarrassment to the government.

This time the government is controlling the wages of Canadian workers in spite of the fact that many of them have not even started to catch up with inflation and corporate profits over the last few years. Fortunately in the United States and in most of the rest of the world there are some indications that inflation has already started to come down. This time, unlike the last time, the Liberals may not be able to double our rate of unemployment through their mismanagement. The government is now proposing wage and price controls, which makes it obvious that the Liberals are willing to steal a policy from anyone who happens to have one.

Mr. Baker (Grenville-Carleton): And they are not very good thieves.

Mr. Rodriguez: No, they are not. This reminds me very much of a story printed in primary readers about the jackdaw and the peacock. The jackdaw was such a dreary looking creature that he wanted to enhance his looks. He saw a peacock strutting around the farm yard, and when feathers fell from the peacock he took those feathers and stuck them into his body and strutted around the barnyard. The jackdaws rejected him because he was obviously not a jackdaw and they could see that, and of course he was not a peacock because he had stolen the feathers. As a result he was lonely and out in the cold.

What have the Liberals done this time? They have picked up a Conservative policy, an incredibly cynical move considering they fought an election and won on

[Mr. Rodriguez.]

opposition to price controls. In that campaign the Prime Minister called the controls "a proven disaster looking for a place to happen".

In his budget speech in May of last year the former finance minister said:

In our fight against inflation, I have rejected two possible approaches... the second approach, urged upon us by the official opposition, is to impose a general system of price and wage controls. This would be totally ineffective in overcoming the kind of inflationary problem we have been and still are facing. What we need, still, is not controls, but an increase in supply.

Just this month in an interview with Peter Newman of *Maclean's* magazine the Prime Minister admitted that controls were useless. This is what the Prime Minister said:

Controls themselves, whether it be a full freeze or control of prices and incomes, do not solve the underlying malaise of people generally trying to get more out of the economy than they put into it. If controls were a proper and effective device to change that psychology, we'd say, "Well, it's easy. Let's put on controls and one year down the road we'll take them off, and there'll be no more inflation." But I think every experience I know of—most recently the United States and the British experiences—is to the effect that when you take controls off you begin more or less where you were before.

Obviously the Prime Minister as late as within the last few weeks was admitting that wage and price controls are not the answer to the underlying malaise affecting the economy.

The entire anti-inflation program presented to us is in four parts, and it is worth while examining those parts.

The white paper lists the first part as being:

—fiscal and monetary policy aimed at increasing total demand and production at a rate consistent with the climbing inflation.

For years the government has tried to treat inflation as a simple problem of demand management. Using high interest rates and other deterrents the government has not only managed to decrease seriously the use of our industrial capacity, but it has almost destroyed the chances for average Canadians to own their own homes. It is doubtful that the government's use of monetary and fiscal controls will be any more effective or sensitive to the needs of the Canadian people than it has ever been.

The second plank in the government's platform is:

Government expenditure policies aimed at limiting the growth of public expenditures and the rate of increase in Public Service employment.

How coincidental it is that just a couple of weeks ago the mandarins in the federal civil service received very handsome increases indeed, and all before midnight of Thanksgiving! How convenient that this policy did not come down until after the Bank of Canada's glass tower was up a few blocks from here, at a cost of \$35 million!

Under what rationale or logic did the government spend \$250,000 in taxpayers' money for a party for 3,000 honoured guests at Mirabel? The government spent \$250,000 for a meal for 3,000 people, most of whom are probably well-heeled enough to afford their own. This is \$250,000 of taxpayers' money down the drain for a party. I do not understand how the government can turn to the Canadian people, pointing a finger at them and saying that those people out there have to start tightening their belts, when the place to start tightening the belt is right here. I think