

Anti-Inflation Act

deau) suddenly furnish leadership and seize on controls as a means of fighting inflation? It seems as if the government suddenly discovered inflation. On Friday I canvassed the reasons as to why the former minister of finance may have resigned. I am glad to note the presence of the hon. member for Ottawa-Carleton (Mr. Turner) in the House, because I will ask him to do something which he owes this country. I will ask him to participate in this debate and tell us precisely why he resigned his position as minister of finance.

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): After all, the former minister went out on hosannas of praise sung in the press and elsewhere. We want to know if he advocated a program of full controls after he came from the meeting of the World Bank, and if there was a dispute between himself and the Prime Minister. After all, the Prime Minister and the former leader of the NDP, ably abetted by the media which had not reflected deeply enough on the question at the time, were not in favour of anti-inflation controls. During the last election campaign it was felt that the smart thing to do was to knock out the concept of an incomes policy. The media went chasing some red herring which the Prime Minister wanted them to chase. Nevertheless, the policies at issue in the 1974 election campaign had to do with the deficiencies of this ministry; they had to do with the budget brought forward by the hon. member for Ottawa-Carleton, on which the government was defeated.

Mr. Baker (Grenville-Carleton): The budget failed.

Mr. Lambert (Edmonton West): The budget failed lamentably. Therefore, why was there this sudden change in October? I suggest that perhaps this is an effort merely to divert public attention. If there was a quarrel within cabinet which forced the hon. member for Ottawa-Carleton to resign, then this is a beautiful diversion of attention. The newspapers, radio, television—just about everybody—are ignoring precisely what happened in the cabinet.

Mr. Stanfield: Ask him once more to speak.

Mr. Lambert (Edmonton West): The request has been repeated for the hon. member for Ottawa-Carleton to speak. I hope we shall hear him in this debate. He is a good man. I believe him to be an honest man. I think he must give an honest answer regarding the proposals incorporated in this bill.

An hon. Member: Speak to the bill.

Mr. Lambert (Edmonton West): I hear someone say, "Speak to the bill." We are speaking to the bill, the principle of the bill. I am not nit-picking, but unless there is this opportunity—

The Acting Speaker (Mr. Turner (London East)): Would the hon. member please address the Chair?

Mr. Lambert (Edmonton West): Of course, Mr. Speaker; I will not neglect your august presence. But hon. members opposite want us to become involved in, shall we say, the shallow details of this mean and miserable bill. I will say this: we advocated the principle of controls, and still do.

[Mr. Lambert (Edmonton West).]

● (1510)

Let us consider what inflation has been like since this administration under the present Prime Minister took over. In June, 1968, the CIP was 120; in September of this year it was 189.3. Let us see how it has moved. In 1970 it was 129.7; in 1972, 139.8; in 1973, 151; in June, 1974, 166.7. After the right hon. member and his cohorts in the Liberal party won the election in 1974, it went to 176.6 in January, a period of six months. In February this year it was 178; in June, 184; in August, 188.4; and in September, 189.3. Inflation has been with us for a long time.

In 1969 the Prime Minister made a dramatic appeal over television on the subject of inflation. That campaign soon died. In 1971 the Prime Minister said that inflation in Canada had been stopped. We have had all sorts of statements from the right hon. gentleman saying that the government's chief task was to wrestle inflation to the ground. It has not done a thing to achieve that end. Look at the statements made by the former minister of finance. Did he speak about the need for controls, in his June budget, on inflation? Inflation was going ahead at its fastest rate from June, 1974, to June, 1975, right through the February budget into the June budget, but no real steps were taken to fight it. There was a bit of a tax cut and the odd fiscal measure, but nothing very serious. The results show on the charts. If hon. members doubt what I have to say, my figures come from the Bank of Canada monthly report.

I have here a transcript of the proceedings of the 1970 Standing Committee on Finance, Trade and Economic Affairs, a committee in which there was a Liberal majority. Today, the Prime Minister and the Minister of Finance say we have to break the inflation psychology that exists. That is why we have this bill. Certain aspects of it are made to appear harsh. We are now to get a great sales campaign. The Prime Minister leaves tomorrow morning for various parts of the country and we will not see him until some time next week. We will hear ministers talking about the dangers of inflation psychology. They will say that the public was not aware that we had inflation, that they got caught up in this and it must be the objective of the government to try and deal with inflation.

Two years ago, most of the inflation that we had was imported. Now it is due to a cost-pull: wages, salaries and revenues have been too high. It is not a case of demand-pull. We know that a great part of Canadian industry is lying idle and that there is less than our full potential being used. Unfortunately, I do not have here the membership of the committee; however, I do know that the hon. member for Windsor West (Mr. Gray) was the chairman. I cite as follows from page 392 of the *Journals* of parliament dated February 6, 1970:

Today's inflation has tended to institutionalize itself as a persistent and would-be permanent guest in our system, through, among other factors, the widespread development of an inflationary psychology.

This government was told by its majority-dominated committee in February, 1970, that there was an inflationary psychology. What have they done? In 5½ years they have done precisely nothing except feed that inflation. In February, 1970, the CIP stood at something less than 129. The figure for June was 129.7. The last figure, for September, was 189.3. That is an increase of 60 points, or 50 per cent inflation. There has been an increase in prices since