

*Federal-Provincial Conference*

As to pollution, I need only say that this issue is before the House at the present time. It is being considered by a committee of the House and in due course the House will again have the opportunity to discuss it. We have made our views known, and at the appropriate time amendments may be moved on behalf of this party.

As to the extremely important problem of inflation, the questions to be dealt with here are of such fundamental importance as to make it essential that we place a moratorium as far as possible on any partisan or political approach. I am sure all of us—and I speak for everyone in our party and, I believe, for all the people of Canada—hope and pray that an effective solution may be found for dealing with the two grim spectres of rising unemployment and rising prices which threaten us today. It is not good enough simply to say that the rise in prices and unemployment is not as sharp now as it has been in the past. I think of the old household saw that you feed a cold and starve a fever. One might apply this to the body politic in Canada which today is suffering from the two very serious problems I have just mentioned. The government is now engaged in a highly dangerous and delicate manoeuvre—it is trying to starve one and feed the other at the same time.

The Prime Minister spoke at a press conference about the totality of all the governing powers of Canada being concentrated at the meetings which were held in the last two days. It seems to me that this hinted at the fact that with these powers gathered together there should be the capacity and ability to deal with these problems.

Just a word of warning here. The governing power, in reality, is the people of Canada. It is in the highly volatile expression of their social habits, their spending attitudes and the state of mind of the 21 million people in Canada, to say nothing of the millions more outside Canada with whom we deal, that there is to be found the real factors which will provide the essential help in the difficulties that we face. Jawboning, no matter how high the level, will not by itself bring down either unemployment or the cost of living.

In any event, the Canadian people are also represented in their totality as consumers and as taxpayers by the members of this House and also by the members of the ten provincial legislatures. I think—I say this in a non-partisan way—we must feel free to challenge and to scrutinize the various proposals that are

[Mr. Baldwin.]

brought in from time to time, supporting those that are wise and good and rejecting those that are faulty.

Here, as in the recent meeting of industrial leaders of Canada called to deal with the problem of price stability, it would seem that the proposals and suggestions are vague, are conditional, and are couched, in many instances in the most fuzzy generalizations. Those who looked east for wise men to produce decisive and meaningful leadership looked in vain on all these counts.

Then we must consider the impact and the serious consequences which may result in doing damage to the very useful work that is being performed by the Tax Structure Committee. This committee at the current meeting produced figures showing that a very substantial increase in government spending was projected for the next two or three years. This included particularly, as the Prime Minister said, joint programs dealing with education and health and welfare items. We must bear in mind that some of these were initiated and foisted upon provincial governments by Ottawa, and from the viewpoint of equity this surely has to be taken into calculation by the federal government.

When the Prime Minister says no to suggestions by the provincial governments that Ottawa should assist here and should make available additional revenues, is it not likely that he is endangering the usefulness of this committee that is charged with working out arrangements as to priorities, to say nothing of the very abrasive situation which is bound to be created with those provincial governments that are so vitally concerned? When the Prime Minister says no and suggests that the provincial governments must either tax or reduce their own expenditures, he fails to mention that the provinces have not available to them the far wider and more useful tax sources, such as the hidden, indirect taxes which can be exercised only from Ottawa. When the Prime Minister talks to provincial leaders of curbing inflation by cutting down expenditures and/or increasing taxes, and in almost the same breath talks of implementing the proposals contained in the white paper on taxation, some of which are of a very iniquitous nature and certainly contain a very dangerous element of increased taxation and inflation, he is guilty either of colossal ignorance of the effect of these proposals or of consummate hypocrisy—and he can take his choice.