

*The Canadian Economy*

the ills of the economy on the Canadian workers for trying to grab more than their fair share of the national income. He tried to convey the idea that the greed of the Canadian workers has threatened to price Canadian business out of international markets. What he failed to tell us is that a year or two ago when we had excessive profits and price increases, it was those factors which were responsible for making our goods less competitive in the marketplace, rather than the wage increases which are still far below what the working people deserve.

Are workers getting more than their fair share? My party maintains they are not. For three years the government has let inflation go hog wild, has permitted prices to rise unchecked, and has let big corporations get away with profiteering. All this has had the effect of seriously eroding the purchasing power of wages and salaries. In real terms and as a proportion of the gross national product, wages have shown a substantial decline in the last few years.

Figures from the Canadian Labour Congress show that average wages and salaries in real terms—in terms of purchasing power—based on 1972 dollars have declined by 2.7 per cent from the fourth quarter of 1972 to the fourth quarter of 1974.

As a percentage of gross national product, wages and salaries dropped to 53.7 per cent in 1974 from a high of 55.1 per cent in 1971. During that same period corporate profits as a percentage of the GNP increased from 9.7 per cent in 1971 to 13.1 per cent in 1974. Where was the Minister of Finance when that happened? Why was he not protesting? He was dining on filet mignon and sipping champagne with his corporate buddies from Toronto's Bay Street—and the hon. member for Don Valley (Mr. Gillies). Why is he protesting now when the worker is striving to catch up because of the high profit increases of the corporations?

The Minister of Finance recognized—or in the past pretended to recognize—the merit of the argument I am making. I want to read something he said so that the minister and this parliament can realize the change of mind and heart that he has gone through. In this House on February 28 the minister said:

It is now quite understandable that wage and salary rates are attempting to catch up so as to offer some sort of compensation for the erosion of income . . . as a result of rising prices over the last 18 months.

Then in a speech in Montreal on January 29 he said:

Salary demands being voiced by organized labour are not out of step with today's reality. Workers are suffering real losses because of the rise in the consumer price index.

Believe it or not that is what the Minister of Finance said a few months ago, before spring came along and he changed his colour.

In a speech to the first ministers' conference last month, before he mounted the Tory bandwagon, he said:

In many cases, the rise in the cost of living has more than wiped out the benefit an employee expected to gain from the pay increases he has obtained in recent years.

This was the minister just a month ago justifying what we see happening in the economy today. But now, having apparently recognized the justice of the workers' attempt to catch up with rising prices, he tries to do what the hon. member for Don Valley recommended a year ago—to

[Mr. Nystrom.]

impose wage controls that will see the workers' income fall further behind, and so he attempts to blame our economic problems on the workers' legitimate demands.

Our party will not tolerate that, Mr. Speaker. Our party represents the working people of this country. Our party stands for the redistribution of income and wealth so that the ordinary working person in this country gets the share that he deserves. He is the person who produces, and he deserves the major of the wealth.

Are our economic problems the result of the greed of Canadian workers? Of course not. Even the Minister of Finance admitted they were not. In his budget speech last November he attributed our economic slowdown to the deteriorating economic performance of the countries to which we export, to the decline in housing starts, and to a number of other factors not related to the Canadian worker. At that time he said:

We believe that the principal threat to the growth of our production and employment comes to us from abroad.

In his speech to the House on March 13 he again expressed the view that our economic slowdown resulted from falling exports that were attributable—not to high wages in Canada—but to serious recessions in the United States, Japan, and the United Kingdom—our three largest customers.

Why, in the last few weeks, is the minister blaming the Canadian worker for the slowdown and the inflation in our economy? Again, in that speech to the Canadian Club of Toronto in January, he said:

In 1975, the growth of Canadian output will inevitably fall significantly below potential, primarily because of lagging export sales as a result of economic stagnation abroad and a slowdown in housing construction.

I suggest, Mr. Speaker, that all the alarmist talk in recent weeks about excessive wage demands threatening to price us out of world markets is nothing short of bunkum. As we say in the farmyard in Saskatchewan, it is nothing short of pure horse fertilizer, and I know the Minister of Finance realizes that. I suggest that he has adopted this tactic of laying blame at the feet of the workers in a cynical and desperate attempt to divert attention from the real problems in our economy and from the fact that he does not have any new solutions for them.

What is the minister now proposing? He is proposing wage and price controls that will not solve any of our real problems but will only exacerbate the injustices and inequities in our society, and that will have no real long term impact on inflation in Canada. He is suggesting this on a voluntary basis, but if they are to work they will have the same negative effect as compulsory controls would have if they were implemented.

The government has cleverly attempted to create the impression that voluntary price and wage controls somehow are different. I maintain they are not different, Mr. Speaker. During the last election the Minister of Finance argued that wage and price controls would not work against imported goods, which represent about one-third of the goods we consume. He was right, of course, and he is right whether controls are compulsory or mandatory. That does not make any difference, and I am sure any economist would agree with me on that.