

The Address—Mr. Yewchuk

requiring these companies to allow adequate Canadian participation in ownership and administration.

As to the debate over whether development should be carried out by private enterprise or public enterprise, I personally do not think it makes much difference. If a publicly-owned company such as the proposed national petroleum corporation can go into the extraction business in the tar sands and can produce oil on a competitive basis, proving itself to be more efficient than private enterprise, then by all means it should be encouraged. What I should not like to see is a publicly-owned corporation going into the business as a lame duck industry requiring continuing injections of capital from the public treasury. I do not think that is what Canadians are looking for. Basically the aim must be that the factor of competition be allowed to play its role fully in order that Canadians get the best value for their money. If a public company can really provide that kind of competition, then so much the better for Canadians. If it cannot compete and becomes a drain on the treasury, then Canadians will be the losers.

● (1640)

With regard to the amount of profit that is taken out of these developments, again I do not believe it matters whether the ownership is private or public in so far as returns to the public treasury are concerned, since governments have the authority to legislate any royalty or tax structure they deem to be in the best interests of Canadians. In the case of a privately owned company, it does not need more than a reasonable return to be encouraged to stay in business.

Another important factor we must keep in mind is that we must not hang our hopes only on the tar sands as being the only remaining potential source of hydrocarbons. I think adequate steps must be taken to encourage the continuation of exploration for conventional oil supplies, and while my friends to the left—

An hon. Member: To the far left.

Mr. Yewchuk: —to the far left have indicated they believe there are basically no conventional oil supplies left worth looking for, that kind of negative attitude should not be encouraged. Exploration must be continued simultaneously with progressive development of the tar sands.

I want to spend a few minutes on another subject which concerns us all as well, and that is the subject of inflation, particularly as it affects the ordinary working man. On February 27, Statistics Canada said the country's economy showed its greatest gains in seven years in 1973. The Minister of Finance (Mr. Turner) has been repeating that everywhere on frequent occasions. The rise was something like 7.1 per cent in terms of real growth after deduction for the steepest inflation in 22 years.

At the same time, the latest figures released by Statistics Canada indicate a progressively deteriorating situation for the Canadian worker. Average weekly earnings for the month of December actually decreased approximately \$5 from the month before, and were only 5.9 per cent higher than those of a year before. When we compare that with the cost of living increase over the same period of 9.1 per cent, it is indeed obvious that whatever salary

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increases the working man has managed have more than been eroded by inflation.

However, what is even more disturbing than the actual figures for December is the trend revealed by these same indicators as reviewed over several months. Last June the cost of living rose more than the average weekly earnings, and since that time the gap between the two has been dramatically widening. Clearly then, any rhetoric on the part of the present government as to the increase in the earning power of Canadians is totally without meaning in the face of this uncontrolled inflation.

The finance minister on many occasions has claimed that in spite of inflation, and in part through his income tax measures, what he calls "real disposable income" has risen by 6 per cent. It is unclear, however, where or how this figure could be obtained. Discounting the effect of tax measures, current income would have to have risen 15 per cent over the past year to compensate for the 9 per cent inflation and to provide a real income increase of 6 per cent. The national accounts show a third-quarter to third-quarter increase in over-all disposable income of 17.29 per cent, but these are aggregate figures, not per capita average figures. Their increase represents for the most part an expansion of the labour force. Therefore, such a statement by the minister is less than honest if it is these figures on which he bases his statement.

Average weekly earnings, which do not take into account either inflation or effective tax rates, from the third quarter of 1972 to the third-quarter of 1973 rose by only 6.8 per cent; inflation over this same period was 8.2 per cent, thus showing a net loss in real income of 1.4 per cent over the year rather than an increase of 6 per cent which the minister has claimed. Because of this loss, I think we can look forward in the next year to widespread labour unrest as the working man tries to boost his sagging wage enough to catch up to the runaway inflation.

For sometime now the Prime Minister (Mr. Trudeau) and his finance minister have maintained that inflation in Canada is due to international factors and that there is little the Canadian government can do. In fact, the Prime Minister said on December 30, 1973:

If a government can't cope with self-induced inflation, it deserves to be thrown out.

That is a reference to inflation which comes from factors within Canada. We are getting pretty tired of Liberals saying that nothing can be done about inflation because it is caused by international factors. With that Liberal attitude nothing will be done as long as they are in power.

What then are the real facts? According to expert opinion, 60 per cent of our current inflation of 9.0 per cent is self-induced; it comes from factors within our own country. It should, therefore, be within the competence of our own government to do something about at least that 60 per cent. If that were done it would bring down inflation to within range of the acceptable limit defined by the Economic Council of Canada. International inflation only accounts for a little more than one-third of our total inflation. Furthermore, the domestic or self-induced component of inflation has been escalating continuously since the last quarter of 1970 when the Prime Minister said: "Inflation is licked".