

*Supply*

supplementary estimates. I will not speak very long because I know some of my colleagues want to participate in this debate. I will not go into the details of the supplementary estimates—

**Mr. Woolliams:** Why don't you read them from cover to cover? I am interested.

**Mr. Philbrook:** If the hon. member does not mind, I will speak off the cuff, but I will pick up my papers.

I should like to touch on a couple of points regarding the economy because this bill on supplementary estimates is a very important part of government spending, which in turn is an important part of our whole economic situation. We have heard a great deal in recent times about some of the hot issues of the day which, by and large, are shared by all countries in the world, all our trading partners. I refer to such issues as unemployment, inflation, trade deficits and currency exchanges, along with government spending which, as I said, is certainly an important part of our economy and which was an important topic of discussion at the recent federal-provincial conference at which we gained a great deal of reassurance that both the federal and provincial governments recognize there must be a change in government spending. They recognize that there must be retrenchment or more restraint and also that the whole problem of excessive government spending must be dealt with.

There is also the other aspect of competitiveness, which is the other side of the problem. As we all know, to make this country more competitive, as it should be, wage costs should be better controlled, as they seemed to be during the anti-inflation period, on a more permanent basis. Productivity, the ability of this country to work hard and produce efficiently, should also be increased. Under productivity there are a number of factors. It is not just a matter of how hard the worker works, as many of us have thought in the past, but how best to modernize our means of production, our productive machinery, also how to identify markets which need our products and in which we can compete.

There is also the business of lost work time. It has been a very serious concern in this country in recent years, perhaps more so than in other countries, perhaps not so much in the way of strikes, but rather the matter of how long the strikes last. We also worry about the special area of strikes in the essential services because those are key monopoly functions that this country cannot do without if it is to have a healthy economy.

Recently I took the trouble to send out a questionnaire on interruptions of work in our essential services—strikes, lock-outs, and so on. I found in the early returns, which are fairly heavy, an interesting, although not surprising, fact, namely that the majority of people answering seemed to say yes, we must put a stop to strikes in essential services. I am sure they had such areas as the post office, transportation, Air Canada, and so on, in mind as well as our civil service and security forces which also occupy key monopoly positions in the economy.

[Mr. Philbrook.]

I received a letter from a constituent, whom I regard as a friend and supporter. He is certainly not an opponent or critic. He spoke very straightforwardly and honestly in his letter about strikes in the essential services, in the following terms:

Strikes and work stoppages in the public service will have to be stopped somehow, not because it is in the public service but because the service is a monopoly and people have no viable option. Strikes must be made illegal not just in "essential services" but in all cases where a monopoly service operates. The people cannot be held to ransom by a monopoly, public or private.

He goes on to say as well that it will not just be a matter of passing legislation but that we will have to have the courage to enforce it, which is another dimension. This gentleman, who is concerned, articulate and well qualified, a gentleman named Mr. Frank Price of Oakville, Ontario, is a senior executive in GSW Appliances Limited of Canada. He took the trouble to send me a copy of his recent address to the Ontario Economic Council entitled "Investment in Manufacturing Industries" in which he outlined, very courageously and in a straightforward manner, the serious problems in our economy today as well as the problem of national unity, probably the most serious problem in the past decade.

I will not go into the report but I would recommend it to anyone who would like to read a good analysis of a serious situation. It is dated March 6, 1978. In his closing remarks he states that the key to our economy is fresh capital investment in the manufacturing area. He concludes by saying the following:

The outline for investment in manufacturing in Ontario today is bad, discouraging, scary, yes, all of those things. In my opinion, the OEC paper—

That is his own paper

—seriously understates the problem. Unless something major is done to encourage new investments, we will lose what is left of our manufacturing industry in this country. We need all of the recommendations in the position paper, but perhaps a more important ingredient would be demonstrable evidence that governments in this country believe in the private business system. We do not have any other wealth creating system in this country. We had better all acknowledge that fact and publicly voice our support of the system. We then must so legislate that we allow the system to function.

He makes the following recommendations about what to do in our manufacturing area and therefore what to do in the best way about our economy. First, we must start to measure international trade in jobs created or lost rather than in dollars. Second, we must recognize that the more primary products we export, the more secondary products we will import. Third, we must consider foreign imports for what they are, an increase in our unemployment. Fourth, we must identify which new jobs will be created, and by whom, before we liberalize trade. Fifth we must conserve our capital and consider how many jobs are created with each major capital investment. Sixth, we must increase our investment in new technology to three times its present level by tax deferment. Seventh, we must limit the growth in government expenditures at all levels to half the growth in the GNP.

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There is some hope. At the recent first ministers' conference some governments came down hard on the side of the free enterprise system. If we can translate this into positive action