

*The Budget—Mr. Philbrook*

system, but it rightfully expects government to perform well. In business and industry under good management the most optional programs are cut back in tight years, and they are expanded in good years. At least this was so during the five years I spent in the pharmaceutical industry. Therefore business expects government also to show restraint and to work productively, as business itself must.

With all its concerns and with all its need to put its own house in order, Canadian business is essentially strong. However, businesses, especially our smaller businesses, complain that they are having difficulty planning for the future because of new laws and government actions of all kinds. Therefore government and business must strive more and more to understand each other, to work together for the Canadian people, and to reduce their conflicts.

Business must be allowed fair access to our labour and money markets, it must be free of excessive paper work, and it must be allowed fair profits and tax rates reasonable enough to permit it to invest in the future. I refer especially to the resource industries. At present its confidence is down, its profits are down, its financial health is down and production is down, but business failures are up. However, at the same time business must realize that it must be more organized and in tune with political goals and social thinking, it must remain competitive, it must improve its public image, and it must work hard to increase its international trade.

With regard to business and government relations, naturally everyone tends to protect his own position, business being no exception. It comes as no surprise when they suggest more for business and less for government, especially when we have a slump in the economy.

Several good suggestions have been made on how to help business by our own Canadian Federation of Independent Businesses, through its energetic president, Mr. John Bullock. For example, he suggests a long term program to build a strong Canadian-owned secondary manufacturing industry which is internationally competitive, along with a gradual program of tariff reductions; fair taxation and profit policies by the government; better tax incentives for small business; freedom to transfer business without serious penalty; more effective control of foreign ownership; and increasing markets for Canadian businesses through selective purchasing by Canadian governments. We should listen to these suggestions from the world of business through our own Canadian businessmen.

On the other hand government is expected to help out by showing restraint in certain major areas, for example, the introduction of new and expensive government programs, the size and salary budgets of the civil service, and in general allowing adequate funds to remain in the private sector for the capital investment necessary to create jobs and general economic recovery.

On the financial side, both our businessmen and our economists want to see careful control of the money supply from now on, enough to allow growth, but through responsible political decisions, not so excessive as to aggravate inflation. This may be more easily said than done. Those two measures—getting behind private business and handling our money carefully—are the bases of a healthy economy in a free enterprise system. That is our

[Mr. Philbrook.]

system, and we must work with it. It benefits not only the businessman, but all of us—the worker, the taxpayer, the consumer, and even the government. Hopefully a healthy economy free of inflation and recession will also lead to a new area of labour management relations and industrial peace.

With regard to labour, the role of labour in our society is a very sensitive subject, especially for many of us who grew up in the great depression of the 1930's and felt the personal tragedy of prolonged unemployment, poverty, and the accompanying loss of human dignity. That tragedy left deep social scars and changed all our lives.

But labour has come a long way since then, and although it still has its legitimate concerns, the public mood, as I sense it, now begins to suggest that perhaps labour has come too far, that even now it controls society, and that it often has society at a disadvantage. Increasingly, people seem to be complaining about strikes, especially strikes in the public service, and they want strikes replaced by other methods of collective bargaining. They complain about the resulting disruption of services and lost time from work, both for reasons of inconvenience and economic loss. They want mail and transportation to stick to schedule.

Many people now want essential services to include more than personal safety, but to include all public service and anything affecting the economy, especially during the present climate of economic uncertainty both here and abroad. And now public reaction to organized labour has apparently hardened to the point where many Canadians—including that august body, the Canadian Chamber of Commerce—are suggesting that the economy, inflation, and production costs must be brought under control, even if it means higher unemployment.

God forbid that we should be guilty of deliberately creating unemployment for some of our citizens—ironically to correct the economy for other citizens—especially in view of the concern about the work ethic, alleged abuses of unemployment insurance, and strike action. Personally, I believe that everyone capable should be working in the most meaningful and satisfying jobs possible. Work is more than income. It is a way of life, and that is one reason some of us favour a budget to stimulate the economy while still fighting inflation. We must remain on the job and be productive. We must be reasonable in our demands and free from both strikes and lay-offs where at all possible.

Because of the restriction of time I shall refrain from commenting on housing. I would simply like to say that as urgent and important as it is at the present time, I would like to see us keep our minds on the long term goals and long term effects of our housing activities.

Actually there are many positive social economic signs at present. Don McGillivray of the *Ottawa Citizen*, who is Canada's incurable optimist, recently listed 16 such good omens, and there are many more. I will not go into those now.

In general terms, and in a general summary of the economy, this is what I hear people saying about our economy, especially our businessmen: we must continue fighting both inflation and recession, but with the empha-