

*The Budget—Mr. Otto*

because management is always able to put on its 6 or 7 per cent price increase, and always gets it. On the other hand, labour says, "We want a 10 per cent wage increase", and ends up paying 15 per cent more as the consumer. That is a basic lesson in economics, and I would plead with the hon. member to refrain from asking questions until the end of my speech.

I think the Minister of Labour should have introduced a bill which recognized the immediacy of the problems we have. We do have work stoppages. There is no way anyone is going to convince me that if an industry stops work for 10, 15, 20 or 30 days the GNP of the nation can go up. It simply cannot. No one can convince me that our work stoppages total only 16 or 18 days a year. During those stoppages, the cost of administration continues. Before a strike takes place there is enmity between labour and management, and production goes down for three months. After the strike is settled, there is never satisfaction and production stays down. Altogether I would venture to say that strikes or work stoppages account for the loss of almost 40 days, not 18 days. No one need try to convince me that work stoppages do not mean loss of productivity. Work stoppages are the reason we are ninth in the world so far as productivity is concerned, ranking even behind some countries that are not considered to be developed countries.

• (2:50 p.m.)

This is the problem that the Minister of Labour should have faced, and it is one that the Minister of Finance and the government will have to face. It is easy to say that it is politically dangerous even to touch organized labour, that we must not do so. Organized labour is composed of Canadians who are just as concerned as we all are about the cost of labour and the cost of goods. If government is able to recognize that labour unions are here to stay, and that they should be headed by elected representatives as a result of secret ballot, then I think some agreement could be reached by which labour-management disputes are solved in other ways than by work stoppages. There must be some other way. This is the problem the government should face. It does not matter how much you try to remedy the situation in other ways or how good the budget is, you still will not be able to do the job. In a very short time we will be into another inflationary cycle, and the chances are that Mr. Young will still be with us.

Do you think that the government is going to find some new remedy from the heavens, Mr. Speaker? Of course not. The government will have to tighten money and credit, and we will be back in the same old cycle. The government should realize that it should not depend upon the minister alone. All government departments must concentrate on tackling this problem and finding solutions that do not entail creating massive unemployment, either directly or indirectly. I am not saying for one moment that the government's action was premeditated because it was not, but so long as the only solution to inflation is to create unemployment we will be on the same merry-go-round all over again.

[Mr. Otto.]

Another matter I want to deal with relates particularly to the Prime Minister (Mr. Trudeau). The government, this House of Commons and the Canadian people at large, have to decide whether we are going to compete with Germany, Japan, the United States, France, and so on, industrially or get out of the ball game altogether. The comments made by the Prime Minister seemed to indicate that it was not necessary to become more efficient in our production methods; that surely there was something else in life. That may well be so. But so long as we have dealings with these countries, there is not much sense in our saying that we do not have to be more efficient and that we should enjoy life. As long as the Germans are working harder and producing more and more goods, it is impossible for us to keep those goods out of this country. So either we stay in the ball game or get out. If we stay in, we must concentrate our efforts on efficiency as well as on a life style. Nevertheless, the emphasis during the next decade has to be on the economics of our life.

We Canadians will tolerate almost any indignity as a result of our apprehension. But the minute someone touches our pocketbooks we become very cautious, displeased and are easily discouraged. If anything, the government must assure that unemployment in this country will be inconsequential, and to say this cannot be done is nonsense. I disagree entirely with those who say that the great power of the Americans makes this impossible. Canada has the resources, it has the people, and it has a position of wealth that the Americans cannot match. Neither can any other country of the world. But what we must have as a nation is the will. It can be proven that it does not matter how high inflation rises in the United States, that Canadians are not affected one bit, because it is we who are in the position of power. The fact is that we do not know this and cannot see it.

This is why the government must decide what it is going to do. Is it going to accept the theory that we must stand aside; that whatever happens in the United States is going to happen in Canada? Or is the government going to decide that Canada should take the lead and adopt new ways by which we can control our own destiny to the extent that we control our own resources, making sure that Canadians have jobs? We in Canada do not necessarily have to fall under the influence of this capital structure that seems to overpower our very thinking.

The last topic I want to mention is a very touchy subject but one with which the government ought to deal. I refer to the resignation of the hon. member for Duvernay (Mr. Kierans). It seems that in the last little while there has been almost a Stalinist touch to the situation where one turns the picture to the wall or takes it down. I have no doubt many members of the House who had a picture on their office wall showing them shaking hands with the hon. member for Duvernay have now taken it down.

**Mr. Knowles (Winnipeg North Centre):** They have given them to us.

**Mr. Benjamin:** And you will be next, Steve.