

I do not blame the trade union movement for some of the objections they took regarding the way they were handled by the Prices and Incomes Commission. When faced with that situation, what was the responsible course for a national political party? Was it to serve as the handmaiden, as the apologist of the trade union movement, or was it to act as a bridge between the legitimate misgivings which the trade union movement felt toward the Prices and Incomes Commission—a bridge which would have reconciled the differences that were developing—and at that point try to achieve some sort of compromise which would have made the work of the Prices and Incomes Commission more effective than it had been? This was the responsibility of that party which lacked the guts, the leadership and the intestinal fortitude to assume the role incumbent upon it as a national party.

Mr. Knowles (Winnipeg North Centre): Now let us hear your speech.

• (5:40 p.m.)

Mr. Faulkner: I am just coming to my speech. Unfortunately, I will not have enough time to complete it. I wish to read one of the more interesting paragraphs from the sixth annual review of the Economic Council of Canada. This paragraph puts the position and the responsibility of the government in a context which heretofore has been missing. I quote from page 156 as follows:

It is frequently assumed that high standards of performance in our economy, as well as the major decisions on resource allocation, are almost entirely the responsibility of governments—sometimes even more narrowly conceived to be the responsibility of the federal government. Nothing could be further from the truth. Governments today occupy a larger and more influential role in the economy than in the past. But the fact is that we have a highly decentralized system of decision-making in Canada, in which the great bulk of decisions affecting the economy are actually made outside of government—in private markets of growing sophistication and complexity and, in many fundamental respects, outside the ultimate capacity of governments to control in any detailed way. In consequence, the attainment of our various goals and objectives will require improved decision-making in both the government and the private sectors.

It would be worth while for hon. members to review that paragraph and study its meaning. The hon. member for Broadview (Mr. Gilbert) has probably read it. It puts in proper context the precise role and limits of responsibility of the federal government. It is that dimension which has been so patently missing from all contributions made by opposition members. What are the goals? The three goals we have all subscribed to, which are shared and outlined by the Economic Council of Canada, are full employment, economic growth and price stability. In its sixth annual review the Economic Council of Canada outlined the two basic areas in which the federal government has certain responsibilities, one on the demand side and one on the supply side. On the demand side they acknowledge that the principal tools available to the federal government are the traditional tools of fiscal and monetary policies. They analyse and outline the areas where the federal government can be effective on the demand side.

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I recommend that hon. members read the various areas on the supply side where governmental policies are required. If hon. members read the list on the supply side and examine government policies in the past two years, they will have to confess, even if it is in the solitude of their own offices, that the record of the government in this area is particularly good. It is not only the record of the government but of Parliament. It has been recognized that in this limited area where we have a responsibility our record has been particularly good. That is cold, small comfort to 686,000 people.

Mr. Gilbert: You are right.

Mr. Faulkner: Despite the efforts of the federal government and decisions made by Parliament, the traditional methods which we have adopted have failed. During this debate, therefore, we should have explored some of the problems that any government traditionally has encountered in using the tools traditionally available to them. An interesting solution that is constantly recommended and is often alluded to by people in my constituency is that failing a solution to the problem of inflation we should develop a compulsory incomes policy and freeze wages. The traditionally bogey has always been the working men of this country. That is a misleading myth. However, the idea of an incomes policy of some form is a goal that should be pursued by this Parliament.

It would have been interesting to hear what opposition members have to say about this delicate area. It is in this area that the basic problem is found. My own view is that a compulsory incomes policy would not be workable in this country, for a variety of reasons. We should try to avoid developing the expectation among people in this country that the solution to our economic problems can be found in some form of compulsory incomes policy. The bureaucratic mess, the injustices it would create by a sudden freezing of a situation and the inevitable black market activities which would develop rule out a compulsory incomes policy as workable and viable.

Another approach that is sometimes suggested on the basis of European experience is some form of national collective bargaining. It is interesting to study the experience of the Netherlands and Sweden as well as Italy, France and other countries which have some form of national collective bargaining. It is particularly interesting to study the Netherlands example. They had what was considered to be a model formula until 1963 when the frustrations from the trade union movement at the plant level developed distrust between the workers and other union leaders. A wage explosion resulted.

This type of national collective bargaining with compulsory limits within which industrial bargaining takes place is not workable. It is not a viable solution. It would be interesting to hear from members of the New Democratic Party who, with all their shortcomings and weaknesses, have an understanding of the trade union movement and an appreciation of the mentality and thinking of trade union leaders as well as the rank and file. It