

At this time, however, we cannot beat unemployment, improve and humanize our society by the traditional tools of monetary policy. The minister says he has eased off on the monetary policy, that interest rates are declining and that he has expanded the money supply. He should go further and make funds available to municipalities and businesses in addition to stepping up federal programs. There are so many things we could do. We could make money available for pollution control and the improvement of municipal services. We could make funds available for conservation and dams, for the creation of parkland and recreation facilities as well as senior citizens homes and low-income housing. Then, we might make funds available for the establishment of public ownership of land in order to control speculation.

● (3:20 p.m.)

If a municipality wants to control speculation or if a province wants to do this, the federal government's role should be to make the money available. We can establish and improve facilities for the handicapped and for day care centres so that women can move more freely in this world and more freely choose the kind of role they want to play in our society. We do not have enough clinics and hospitals. We should be doing experiments in education, particularly for the handicapped people, and also in the area of public transportation. The encouragement of its use is wide open. There are so many things that need to be done, and by doing them now we can also stimulate the economy. The minister will probably put the tag "spend our way to prosperity" on this suggestion. What is so terrible about spending our way to prosperity? We have done it before. Some countries have spent their way to prosperity by giving money away in foreign aid. It is not a new concept, and at this time it is important that we think in those terms.

The federal government could increase consumer purchasing power by increasing old age pensions and in this way it would redeem itself from its niggardly approach to the elderly. We should be increasing the income tax exemptions of people in the lower income brackets, \$2,000 for single people and \$4,000 for married people. We should be giving more grants to medical research. The list is long. There is no limit to what we can do if we choose to do it. The question arises: are we not going to go off into an inflationary spiral if we do that? Yes, we could, if we did not take some imaginative action. I think we have to be very concerned about understanding what happens under an expansionary policy. But there are measures we can take, and in my view the public is prepared to accept new measures.

At the moment we have unemployment and inflation at the same time. Despite the rather limited success that the government had for a few months in holding down the cost of living, it is now climbing rapidly again. We have kicked away enormous advantages. We have thrown people out of work, we have virtually wrecked the economy for the small advantage of being able to show a marginal success with the rate of inflation. But that is over now, and it is increasing. In my view we need a prices review board to examine price increases as they

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take place, and then to take measures against them. There are many things we can do short of price control. In some cases we should not be afraid to use some collective price controls. I am not at all convinced that they will not work and that they should not be tried in some areas. We should be dealing specifically with some economic bottlenecks which occur from time to time instead of doing a hatchet job on the whole economy. In some areas there is excessive bargaining power, and we should be dealing with it.

The very fact that we have floated our dollar is a kind of safety valve, as the Minister of Finance (Mr. Benson) well knows, because should inflation in Canada be somewhat greater than it is in other countries, it will be reflected in the level of our dollar. At the moment there is an equalization effect taking place. Because we are holding down our inflation rate somewhat below that of other countries, our dollar has crept up and this has created unemployment in our secondary manufacturing industries. This has made it more difficult for them to recover. So there is a kind of balance in the floating dollar that is very valuable. We should be using the opportunity of full employment to do the many things that are necessary in this country.

One of the things that has to be done—and I think the hon. member for Duvernay (Mr. Kierans) did this country a service in pointing this out—is to stop providing special concessions to the mining and resource industries because that will surely destroy our economy if we continue. When the Minister of Finance brought in the original white paper he was prepared to move against the mining companies, although not as strongly as the Carter Commission had recommended. He was prepared to remove some of their special privileges. However, he lost courage very quickly and has virtually given back all the concessions they had. The evidence is quite clear. They do not pull their weight and they do not pay their fair share of taxes. They may very well be inhibiting the development of Canadian secondary industries because of the vast quantities of capital that are required in their operations. It is very interesting to note the DBS figures which show that it costs at least \$100,000 in capital to create one job in a resource industry as against a figure of perhaps one quarter that amount to create a job in a secondary manufacturing industry.

In a country that has almost 300,000 new entrants into its labour force every year, it is not possible to provide sufficient employment for all the people in this country if we continue to emphasize and to encourage the resource industry in Canada. There are special cases where resource industries do provide benefits, and I think where necessary we should assist them. But the kind of blanket over-all assumption that we have made that the resource industry is good for this country and that the more we tear out of our earth and ship away to some other country the better off we will be is not a valid assumption and can no longer be sustained. This is one of the things that the government will have to examine and one of the things about which we will be very concerned when we examine the white paper.