

Government Administrative Policies

to obtain a licence through the corporations branch. I think competition will do the banks a lot of good.

There are one or two more points that I would like to make. I have spoken now about the management side. Something should be done about labour, and we have to face that immediately. The minister pointed out that some of the unemployment and a great deal of inflation results from work stoppages. We still have a 100-year old system of negotiating so-called labour-management disputes. Everybody quits. This compounds the problems because production stops, but people still have to be fed and housed so they dig into their savings. Companies have to keep their plants open, so money has to come from an increase in the price of the product. The government has to find a new and acceptable method of dealing with labour-management disputes as an alternative to work stoppage.

The hon. member for York South (Mr. Lewis), in a speech he made in Montreal about two years ago, said he would welcome any workable plan, and that probably the unions would welcome such a plan. I placed a private bill on the Order Paper which provided that, where there is no contract, the plant should keep operating but the profits made during the duration of the so-called strike would go to the government as a 100 per cent tax. Possibly union dues could go to the government as well. In other words, we could at least keep on producing and the nation would get the benefit of production. Work stoppage is one of the great obstacles to good production. The work stoppage may only last 14 days, but its effects go on for a great deal longer. After the strike is settled—and I have seen this time and time again—no one is happy. The strike is often settled because of a sense of compulsion.

Following the settlement, productivity drops for the first three or four months to less than 50 per cent because of a lack of incentive to produce. The workers are still angry after the strike is over. They have to keep on producing but the animosity created during the strike continues, and there is a complete lack of communication between management and labour. This is not conducive to good production. However, we have to increase our production. I say to you, Mr. Speaker, that if we in Canada increase our production by 10 per cent, then a 10 per cent increase in wages will not cause inflation. If we can increase our production by 20 per cent, then a 20 per cent wage increase will not be inflationary.

[Mr. Otto.]

There is a relationship between the two, and if our productivity increases we will be able to compete with the whole world. But the fault lies in the failure to gear these two together. So long as we continue to have a 2 per cent gross national product increase and an 8 per cent or 10 per cent price and wage increase, there is bound to be inflation and there is no way of stopping it. That is, in essence, what the Prices and Incomes Commission should have been dealing with, but it has not and it has no intention of doing so. During the committee's examination of Dr. Young, he flatly stated that the commission has that option but it will not take it.

The Acting Speaker (Mr. Béchard): I regret to interrupt the hon. member but his time has expired. Does the House give unanimous consent to the hon. member to continue?

Some hon. Members: Agreed.

Mr. Otto: I will only take another minute, Mr. Speaker. I have tried to outline not only the cause of the trouble we now have, but what can be done about it. I would like to define what the government should do in what I would call expansive programs. Some of my suggestions may include some of the proposals made by the hon. member for Nanaimo-Cowichan-The Islands. Housing has dropped 50 per cent. This will cause a reaction within a very short time because, even with rent controls, you cannot create more houses by lowering rents. The houses will just not be there. Industry is growing so apprehensive that even now it will need more than six months to get up courage to expand. But inflation will keep on growing, and industry will be using its reserves to meet its losses. Therefore, I urge the government to forget about restriction, bank restriction, money restriction, and go all out to increase production.

● (5:20 p.m.)

I want to remind the Prime Minister (Mr. Trudeau) that he was not given the mandate of leadership by advocating a policy of restriction by saying he was going to tell farmers not to grow crops, that he was going to tell businessmen not to take profits, and industry not to produce more. His mandate was based on advocating opportunity, hope, and a forward-looking program. That is his mandate, and that is the mandate we have. We do not have a negative mandate. Had the people wanted a negative, restrictive mandate they would have given their confidence to someone else.