

*Supply—Labour*

the C.N.T.U. acts in that way, it does not mean that the protest it has registered for some time now against the operation and the regulations of the C.L.R.B. would not be valid. Those protests would still be valid and it will be up to the Minister of Labour (Mr. Nicholson) to bring about the necessary amendments to rectify the situation.

Therefore, I should like to ask the Minister of Labour whether or not he intends, since he states that parliament alone can change the legislation in that respect, to bring forward soon the necessary amendments to rectify the situation I have just referred to.

[*English*]

**Mr. Pugh:** Mr. Chairman, I rise merely to ask the minister for some information. My first question is: How much does the minister estimate the average capital per worker invested in industry today to be? In other words, how much capital does it take to put a labourer into productivity? My second question relates to training and retraining. Has the department any figures which would indicate the additional cost of making a man's work effective through technical and vocational training, in which I include training within the plant in various industries?

I notice that this year the earnings of Canadian corporations are down. There are no doubt many reasons for this, including higher labour costs. There is no indication of a decline in the amount of goods produced. Indeed, most plants show an increase. Has the minister any suggestions for increasing productivity in Canada. I mention this because today, both with regard to our sales abroad and our sales at home, we are faced with greatly increased competition from other countries.

Finally, I should like to ask the minister if he is yet in a position to tell us how the changes brought about as a result of the GATT arrangements are likely to affect the Canadian production picture.

**Mr. Crouse:** Mr. Chairman, it is not my intention to hold up the minister's estimates for long. I listened carefully to the hon. gentleman's remarks this morning and there are a few comments I should like to place on record.

Despite his optimistic predictions I am of the opinion that all is not well in the labour field across Canada. The present uncertainty is due in no small measure to the actions taken by this government, or perhaps I should say to the lack of action on the part of this

[Mr. Grégoire.]

government. I would qualify this statement by adding that the Minister of Labour is one of my favourite ministers and I do not attach too much of the blame to him. I blame the government as a whole.

• (3:20 p.m.)

When the Minister of Finance introduced his budget recently we heard him predict a \$740 million deficit for Canada in the next 12 months. This can only lead to one thing—inflation and higher and higher prices to the Canadian consumer. In the months ahead the Canadian housewife will find her bag of groceries containing less and less while she pays more and more. In consequence the demands made by labour for higher wages are bound to increase.

It is true we have had a high level of employment. But at the same time we have had increasing unemployment in certain areas. Here I specifically refer to the Atlantic provinces where, despite all the efforts being made by our provincial leaders, we find ourselves still unable to raise our level of employment up to the national level so it will be in proper ratio with the rest of Canada.

In addition, we have had rising inflation and a trade deficit. It seems to me that the new economics practised by this government have fallen short of their objective. The devaluation of the dollar during the Conservative administration, which I was proud and pleased to serve, and tax and credit policies designed to keep the economy moving ahead on an even keel produced the longest business expansion in Canada's peacetime history. But these policies of carefully based restraint have evidently not solved our fundamental problems and ills.

For instance, why have wage rates continued to rise while unemployment is still increasing? Why is it that labour costs per unit of production are going up when industry has just completed a three-year period of heavy capital investment? Why is it that so many products used in household operations have been marked up in price when, theoretically, competitive pressures should promote efficiency and serve as a leveling factor in our pricing structure? These developments suggest that the work force is not sufficiently mobile and does not yet have sufficient skills to make productivity rise faster than wages.

There is a rather peculiar fact about the present situation. Corporate profits have held up well, which indicates that price increases can be passed on to consumers with some