

SUGGESTION EXCESSIVE WAGE SETTLEMENTS RESULT NOT
CAUSE OF INFLATION

Mr. John A. Fraser (Vancouver South): Yesterday, the Minister of Labour said:

Time does not permit my dealing as extensively as I would like with the prevailing myth that excessive wage settlements are the main cause of inflation.

If these remarks are accepted, does the government now concede that wage demands are only the result of continuing inflation and not the cause of it?

Hon. John C. Munro (Minister of Labour): No, Mr. Speaker.

Mr. Fraser: Could I then ask the minister just what he did mean by those words?

Some hon. Members: Oh, oh!

CANADA'S STRIKE RECORD—POSSIBLE JUSTIFICATION OF
HIGH WAGE SETTLEMENTS IN VIEW OF INCREASED
PRODUCTIVITY

Mr. Max Saltzman (Waterloo-Cambridge): I should like to direct my question to the Minister of Finance, Mr. Speaker. In the light of the new information which has been placed before the House by the Minister of Labour, does the Minister of Finance now share the Minister of Labour's view that our strike record is not nearly as bad in terms of international comparison as he is making it out to be?

Hon. John N. Turner (Minister of Finance): I shall be dealing with that matter on budget night. I shall be glad to produce the figures for the House.

Some hon. Members: Oh!

Mr. Saltzman: I imagine the Minister of Finance needs some time in which to consult with his colleague, the Minister of Labour, in order to work out a new consensus on this matter. It is a subject of considerable interest since these two opinions are floating around the country, and I think it is the minister's responsibility to let the country know what position he is taking. Does the Minister of Finance share the view of the Minister of Labour that Canadian wages have risen faster than wages in the United States because our productivity has been rising faster—

Mr. Hees: Our productivity has been going down and you know it, John.

Mr. Saltzman:—and that higher Canadian increases are therefore warranted?

Mr. Turner (Ottawa-Carleton): Generally speaking, the Minister of Labour and I have been continuing to hold discussions with representatives of the labour movement. We both recognize that wage demands have reflected a legitimate catch-up because of inflation in terms of higher prices for food, clothing, oil and various other commodities in 1974. The thrust toward catch-up is a legitimate effort on the part of the labour movement. What we are most concerned about is that in attempting to catch up labour,

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business, the professions and indeed governments will attempt to over-reach in anticipation of further and future inflation rates. On that subject, the Minister of Labour and I are not in disagreement.

● (1420)

PRINCIPLE OF CABINET SOLIDARITY ON ECONOMIC POLICY—
POSSIBILITY OF FREE VOTE ON BUDGET

Mr. Max Saltzman (Waterloo-Cambridge): Mr. Speaker, may I direct my final supplementary question to the Acting Prime Minister because I do not think the House has been reassured by the information that has been given to us today on what is the position of the government. I wonder whether the Acting Prime Minister can deal with the question and inform the House whether the cabinet has decided to abandon the principle and tradition of solidarity in respect of economic policy, and whether the budget, when it comes, will be subject, as far as the government side of the House is concerned, to a free vote?

Hon. Mitchell Sharp (Acting Prime Minister): No, Mr. Speaker, it will be a question of confidence, as it was the last time when we had a resounding victory.

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[Translation]

INCOME TAX

RIGHT OF STUDENTS TO DEDUCT MOVING COSTS

Mr. Armand Caouette (Villeneuve): Mr. Speaker, I should like to put a question to the Minister of National Revenue.

Is it true that under the provisions of the Income Tax Act, a Canadian student attending university in Canada can deduct his travelling expenses both ways, while the Canadian student attending university abroad can only deduct his expenses to get there?

[English]

Hon. Ron Basford (Minister of National Revenue): Mr. Speaker, this question is a somewhat detailed one regarding allowances under the Income Tax Act. I would be happy to write to the hon. member and explain the full provisions applicable.

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CANADIAN NATIONAL RAILWAYS

SALE OF SUBSIDIARY CHAPMAN TRANSPORT TO DIRECT
WINTERS TRANSPORT—REQUEST FOR REPORT

Mr. G. W. Baldwin (Peace River): Mr. Speaker, my question is for the Minister of Transport. Would the minister advise the House whether Canadian National Railways has sold one of its trucking subsidiaries, Chapman Transport Limited of Kelowna, B.C. to Direct Winters Transport of Toronto, which is controlled by Fuqua Industries Inc. of Atlanta, Georgia, an American corporation?

Hon. Jean Marchand (Minister of Transport): This I will have to investigate, Mr. Speaker.