

desperately, not only in Vancouver and in B.C. but also in the Maritimes and in Quebec this winter.

Various methods and schemes have been suggested. Comments have been made that while the government says they are not going to have a winter works program, there might well be similar programs under another name. All the municipalities have projects that could be proceeded with, many of them in the winter months. In our province most of these projects could be carried out in the winter because the weather is not sufficiently severe to prevent work from being done in the winter-time. We have mentioned construction of schools, hospitals, sewage plants and other projects such as pollution clean-ups.

● (9:50 p.m.)

Let no one say we do not have the money for it. All hon. members within sound of my voice, and a lot of other people across the country know that if a catastrophe like war were to break out tomorrow, the money would be found, just as it has been on previous occasions. To hon. members who are slightly amused at the idea that we could do this in peacetime, I say we ought now to consider that we have a war of another kind on our hands—a war against social injustice, a war which unless we tackle it now will lead to the insurrection kind of war which has already erupted in one part of our country.

Mr. P. M. Mahoney (Parliamentary Secretary to Minister of Finance): Mr. Speaker, for those of us who were looking for ideas and inspiration this, in many respects, has been a rather unusual and unsatisfactory debate. The leader of the party that chose to introduce this particularly important resolution did not participate in the debate although all the known candidates to succeed him certainly did. On the other hand, the Leader of the Opposition (Mr. Stanfield) did participate, although none of the known candidates to succeed him did. In both cases, however, the financial spokesmen of the two parties, the hon. member for Waterloo (Mr. Saltsman), and the hon. member for Edmonton West (Mr. Lambert), did not participate in the debate. It leaves one wondering just what the opposition expected from the debate. We have been left to deal with pretty well the same old generalities.

The most important and widespread criticism of government policies is that the degree of economic restraint imposed by fiscal and monetary policies, and the resulting increase in unemployment, are undesirable and unnecessary. The argument takes various forms, apart from those who contend that no purpose is served by restraints since there is nothing Canada can do to halt inflation generated largely from abroad. There are those who suggest that Canada can work its way out of inflation by vigorously expanded economic growth. This position has been taken by the Conservative and NDP spokesmen and it has also been taken by organized labour, particularly the Canadian Labour Congress. The Conservatives have suggested that voluntary guidelines are sufficient to prevent a renewal of inflation, the NDP

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has proposed price controls, while the CLC has advanced no alternatives.

While acknowledging the strong impact of inflation from abroad, the government has taken the position that much of the present momentum behind costs and prices has been domestically sustained. It has been argued that all nations must exert efforts to bring inflation under control. The fact that price increases in Canada have been substantially less than those in other nations appears to deny the argument that Canada can do little by herself to curb inflation. There are also those who have argued that inflation is a matter of no concern in Canada because the rate of domestic price increase has been running well below that of other countries. There appears to be an assumption, on the part of those who advance this contention, that the relatively better price performance in Canada is something that just happened rather than something that resulted from government policy.

The leader of the Conservative party has long advocated voluntary restraint as the only measure to bring inflation under control. But since the Prices and Incomes Commission launched its efforts in 1969 to promote such restraint, the Leader of the Opposition has contended that the government should have taken more initiative to promote guidelines and has accused it of failing to provide sufficient support for the commission. The only other alternative advanced by the Leader of the Opposition for dealing with the problem of inflation is the elimination of the sales tax on building materials, echoing belatedly a position taken earlier by the New Democratic Party.

The Conservative leader has provided no public support for a series of tax incentive measures proposed by the hon. member for Prince Edward-Hastings (Mr. Hees), which were aimed at rewarding those who hold down prices and increase productivity. Today would have been an excellent opportunity for him to endorse the hon. member's public proposals, should he have seen any merit in them. The main thrust of the Conservative position has been to attack government policies on the ground that they were deliberately aimed at restricting the growth of the economy. That, of course, is nonsense.

The NDP has strongly attacked the government's restraint policies. It has contended that there is little Canada can do to control inflation because most of it is imported from abroad. Various spokesmen have alternatively suggested the necessity of comprehensive price and income controls, despite the fact that such controls have largely been rejected by organized labour. There is considerable inconsistency between the NDP's contention that inflation is largely imported and, its advocacy of controls, since such controls would have little or no effect in curbing inflationary pressures exerted from abroad.

The government has taken the position that while it does not reject the possibility of government controls, it would be most reluctant to impose them except as a last resort because of the problems they would bring to the working of the market economy, including their impact upon the collective bargaining process. The leader of the