

*Control of Inflation and Unemployment*

profit level is maintained in 1970 as it was in 1969, and that is no consolation to the people of Canada. That is not going to roll back the cost of living in this country. It is going to keep it as high as it is, and probably continue to push it up.

In this statement there is some reference to the fact that nothing effective can be done for the control of inflation unless there is a comparable measure of restraint "by wage and salary earners." All I can say in response to that is that from my knowledge of the labour leaders in this country they would be just as ready, if they were willing to mislead the people of Canada, to sign an agreement about wage and salary restraints which contained all the weaselling qualifications that the alleged agreement of big business contains, and it would not mean anything.

Sure, the labour leaders would come tomorrow, if they were willing to mislead Parliament and the people, and would sign an agreement saying, "We will refrain from seeking wage increases if our standard of living is increased by X per cent just as it was in 1969 over 1968." They would sign that, and they would then be misleading Parliament and the people of Canada in the same way as, innocently, Mr. Speaker—I do not accuse anybody of bad faith—as innocently as those who have signed the document to which I have referred and from which I have quoted.

Despite this document, the result is that the government's policy in 1970 will again fail, as it failed in 1968 and in 1969. Canada will continue to face growing unemployment, or at least a high level of unemployment—even if it does not increase, it is high enough now—and a growing cost of living, or at least a high cost of living. Again, even if the cost of living does not increase any more, it is high enough now. This is why we felt this motion should be discussed today, between the conference that ended and the conference that is to take place. It was for this reason that, on behalf of my colleagues and myself, I condemned the government policies in the strong words that I have used, and I admit they were strong words.

● (3:40 p.m.)

I wish to spend the few minutes left to me in indicating what in our view might have been—and I say "might" because no one can be positive about these things—a successful policy in the fight against inflation. We say voluntary restraint is ineffective and ineffectual, and that the kind of declaration which

[Mr. Lewis.]

came out of the conference of business and professional people the other day is of little value, that all the ways in which the undertakings are hedged around mean they will not produce any effective or substantial or meaningful drop in the price spiral. The only way to deal with the situation in an economy such as ours is to impose a comprehensive prices and incomes policy with teeth, if necessary selective price controls and selective controls on all the other sources of income in this country—profits, interest, dividends, wages, salaries and the rest. Only when you have a comprehensive incomes policy, only when you have a genuine price control policy with teeth in it, has anyone in this House or anywhere else the right to ask the working people of this country, who are the majority after all, whether white collar or blue collar, to take less in wages than their bargaining power might obtain.

I would hope that if one had this kind of policy that the spokesmen for the organized work force in Canada and, so far as there is such a thing, the spokesmen for the unorganized part of the working force in Canada would agree to fit into such an over-all policy. They will always be morally obliged to ask that special consideration be given special groups because in fact too large a portion of the work force in Canada is at such a low level of income that it would be heartless to keep them there. There are regions in this country which have a much lower level of wages and salaries than other regions and it would be necessary to give special consideration to them.

Speaking for my own party and not for anyone else, within these human and socially desirable changes in the program, I would hope that the labour movement would agree to a wage and salary program. However, I am with them without qualification in rejecting such a program until such time as there is effective price control and a comprehensive incomes policy touching the rich as well as the working people in this country.

We have to do certain things immediately to recompense those groups hit hardest by inflation and a rise in the cost of living. We should have abolished long ago, and if the government had any social heart it would have done so, the idiotic 2 per cent ceiling on the cost of living adjustment for old age pension and supplementary benefits. The least that should be done for the old people in receipt of pensions and benefits is, to make sure that their dollar in 1970 buys the same