

The Address—Mr. Douglas

planning. This is the basis upon which indicative planning may be built, but there are two other steps which need to be taken but which have not been taken. The first is to set out priorities for reaching these desirable objectives, and the second is the establishment of a program of action so that the goals will become realized.

● (8:50 p.m.)

The government in its speech from the throne seems to have completely forgotten about the Economic Council of Canada and the role which it can and should play under indicative planning for this country. I should like to say a few words about the federal government's role in planning for abundance. The Economic Council has pointed out the need for effective demand. Cybernation has solved the problem of production and the government must now pay attention to the problem of consumption in a society where fewer people are required to produce the goods and services which we need. The real question is, how are people going to buy the abundance of things which modern technology has made possible.

It is quite conceivable that at some time in the future every citizen will have to be guaranteed an income in order to enable him to buy the products of our farms and factories. To my mind that day is some time off because there is a tremendous backlog of social capital needs such as housing, schools, hospitals, urban renewal, parks and recreational facilities. These can occupy our surplus resources for a good many years to come. After all, there is little value in living in a scientific era if we have not got water that is fit to drink, air that is fit to breathe, streets in which there is room to drive your car, hospitals into which you can get a member of your family when he is sick, and schools into which you can get your children who want an education.

The federal government has the fiscal and monetary powers to create jobs and stimulate economic growth. Its first task is to increase the purchasing power of those whose present incomes do not permit them to buy the things which we can now produce in such abundance. Over the past five years the Economic Council of Canada has estimated that we have lost \$2.8 billion each year in potential production. That is roughly \$140 annually for every man, woman and child in Canada. This represents about \$700, for a family of five, which has been lost in goods and services that we might have enjoyed, had we mobilized our physical

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and economic policies to achieve full production.

I would like very briefly to outline some of the things we think the government should do if it is going to increase the buying power in the pockets of the 40 per cent of the population of this country which lives either in a state of poverty or in a state of deprivation.

1. It must step up our programs of social capital projects, particularly in low-cost housing, urban renewal and construction grants to educational institutions at all levels, and have the unemployed put to work on these projects.

I was pleased with what the Prime Minister said about the Canada Assistance Plan in so far as it applies to the disabled, the aged and the blind, but let us never think for a moment that unemployment assistance legislation is the answer to the problem of how to take care of those who are out of work. This answer lies in employment in the economy, and employment in industry and, where that is not possible, employment at regular wages on social capital projects.

2. The government must mobilize all Canadian savings so as to promote industrial development and to enable Canadians to regain control of the Canadian economy. I notice in the speech from the throne the government has once more talked about the Canada Development Corporation. Once before the Minister of Finance (Mr. Gordon) introduced it, and then lost his nerve. I hope he will not lose it this time. We believe he must go much farther than this. We think the day is coming when this government, or some other government, will have to set up a national investment board to direct investment into the development of those resources and those industries which will best create employment and increase Canadian productivity.

3. We advocate cuts in income tax for those in the lower income groups. When the Prime Minister was speaking today about the large number of people who earn less than \$2,000 a year and \$3,000 a year, it occurred to me that one of the immediate ways the government could help those in the lower income groups is to raise the exemption on personal income tax to at least \$1,500 for single persons and at least \$3,000 for married persons. This would give them a little more purchasing power to buy the goods and services we want to dispose of.

4. We think the government ought to tackle the cost-price squeeze which is weak-