

*Government Administrative Policies*

during the summer months. I should like to point out, Mr. Speaker, that most of the problem of increased unemployment in May arose from strikes in British Columbia and Quebec and from students entering the labour force.

On Thursday, June 11, the Minister of Manpower and Immigration (Mr. MacEachen) reported to the House of Commons on the total government effort to provide summer jobs for students, a program which aims at providing 36,000 openings for students this summer at an estimated cost of \$27.9 million. He announced a program aimed at employing 17,200 students this summer at a possible salary cost of \$18.5 million. He also said that within two weeks his department would open 33 additional special offices to serve students. These, and the 40 already operating, will be manned by students.

The defence department is launching four job-creating projects: ground maintenance at bases across Canada, range clearance at Gagetown and Valcartier bases, opportunity to serve in the militia, and increased cadet training. This should employ about 10,500 students. Another 300 students could enrol in leadership courses, for which Canadian Red Cross Youth has been approached about assuming responsibility. These five projects will cost about \$7.9 million.

The Secretary of State's department expects that about 1,800 additional applications will be received for the student travel program. This department is also launching a project to teach French or English to some 1,000 students. With the help of the defence department, an effort will be made to establish drop-in centres in major cities to provide beds for students travelling throughout the country. The manpower department has also approached the Canadian Red Cross Youth to allow the department to provide funds to extend its educational projects to all provinces. The Minister of Manpower and Immigration also noted that the Canadian Chamber of Commerce is providing leadership in encouraging its membership to provide additional openings for students.

Since the beginning of the year some tentative progress has been made in slowing down the rate of price increases. In May, the consumer price index declined by .1 per cent from the previous month, which is the first such decrease recorded for this month-to-month period since 1962. The two-year increase in the index of 3.8 per cent was the lowest in the past 15 months. Contrary to the contention of many critics both inside and

[Mr. Benson.]

outside the House, Canada has made some significant strides in dealing with the problem of inflation. It may be noted that the decline in the rate of price increases in this country comes at a time when the rate of price increases appears to be accelerating or at least maintaining a high rate in a number of other countries, including the United States. This appears to challenge the often-heard argument that there is little Canada can do on its own to combat an inflationary problem that is world-wide.

This initial progress in reducing the inflationary rise in prices has to date not been matched by a comparable decline in cost pressures. The continuing sharp rise of wages and salaries, in particular, seriously threatens to undermine the progress we have made on the price side unless it is brought under control. Because of the existence of more moderate economic conditions, many employers are less able to absorb high wage and salary settlements through the process of increasing prices. They are being forced to become more resistant to continuing high union demands, which in turn have led to increasing industrial strife.

In its brief to the cabinet last March, the Canadian Labour Congress suggested that existing economic conditions would soon have "an appreciable dampening effect on the rate of wage increases" this year. Up to now, however, there has been no significant evidence of any slowdown in the rate of wage increases. As the House is aware, representatives of organized labour in Canada have repeatedly refused to play any part in the national effort to bring about cost and price restraint on a voluntary basis. This position was reiterated by Donald MacDonald, president of the Canadian Labour Congress, at its convention in Edmonton last month. "We shall not accept guidelines, not only because they are unfair and unworkable, but because they pose a threat to the very system of collective bargaining itself," Mr. MacDonald said. "So far as the Canadian Labour Congress is concerned, the trade unions will continue to bargain for wage increases which, in their opinion, represent the legitimate demands of their members."

● (9:00 p.m.)

Earlier this week the Congress again put itself on record as being flatly opposed to supporting the kind of wage and salary guidelines proposed by the Prices and Incomes Commission to the federal-provincial