

*Anti-Inflation Policies*

The government seeks to place blame on organized labour. The Prime Minister told members of the Canadian Labour Congress that their share of the national income had risen from 62 per cent in 1950 to 72.6 per cent in 1969. I want to point out how misleading those figures are. The only fair way you can measure labour income is on the basis of the gross national product. Wages, salaries and supplementary labour income in 1950 was 48 per cent of the gross national product and by 1968, it had increased to 53.9 per cent. What the Prime Minister did not tell the people of Canada was that the figure of wages, salaries and supplementary labour income includes executive salaries and supplementary income which have grown faster than wages.

The government is asking the organized workers of this country to accept mandatory restraints based on collective bargaining agreements while only requiring corporations to give voluntary commitments which experience has shown to be worthless. As far as labour is concerned, there is no such thing as a voluntary restraint. When organized workers sign a collective bargaining agreement, that document is binding on them for the next two or three years. When a corporation makes a voluntary commitment not to raise prices, we can see how binding such a commitment is by some of the examples of the past few months.

The New Democratic Party has repeated in this House again and again what we consider to be an adequate program to deal realistically with the plight of our economy. I did this on October 24 in the Speech from the Throne debate at the beginning of this session. In the few moments I have left I wish to again mention some of the things this party thinks should be done.

First, we in this party think we must lessen the effects of United States inflation because undoubtedly some of our inflation comes from the United States where they have been spending \$24 billion to \$30 billion a year on the war in Viet Nam. Naturally, we are affected because of our economies being so closely interrelated. We suggest we should return to a floating exchange rate and set our interest rates in the light of our own domestic situation rather than in relation to American interest rates.

Second, we say there should be selective fiscal and monetary restraints for any areas of our economy that are overheated. We are not quarrelling with fiscal and monetary restraints. We are quarrelling with the fact that the government has adopted a buckshot

[Mr. Douglas (Nanaimo-Cowichan-The Islands).]

approach. There are areas of the economy in which restraints could be advantageously applied.

Third, we suggest selective investment controls to direct available capital into socially desirable projects such as housing and infrastructure. If we have to keep down spending, then surely the outlays of available capital should be apportioned on the basis of social needs and not on the basis of the market. The Department of Industry, Trade and Commerce has just released the figures of projected capital spending, public and private, for the year 1970. It is rather significant that commercial construction in trade, finance and commercial services will increase by 55 per cent in Ontario this year. It goes on to outline that much of this construction will be for hotels and prestige office buildings. However, in the same province where commercial investments are increasing by 55 per cent, housing expenditures are decreasing by 11 per cent.

**Mr. Deputy Speaker:** I am sorry to interrupt the hon. member, but his time has expired. Unless hon. members are disposed to allow him to continue—

**Some hon. Members:** Agreed.

**Mr. Deputy Speaker:** It is agreed.

**Mr. Douglas (Nanaimo-Cowichan-The Islands):** Thank you, Mr. Speaker. I just wish to make one or two points before I conclude. I am not going into the details of this report of the Department of Industry, Trade and Commerce except to point out that in the areas where we need more capital investment, such as the Maritimes and the Prairies, capital investment is decreasing. The places that are already affected by unemployment are the areas of Canada where capital investment is decreasing. That is why we in this party say there has to be some allocation of financial and material resources in this country rather than the shotgun approach which the government has been using in trying to cope with inflation.

• (3:40 p.m.)

Fourth, we urge that there should be genuine tax reform designed to redistribute income and to increase purchasing power of those on lower incomes. There is not too much money for 40 or 50 per cent of the people of this country. Certainly, the people below the poverty line, those in a state of deprivation, do not have too much money. One of the ways in which the economy could be strengthened