

*The Address—Mr. T. C. Douglas*

Fifth, we must establish a Canada development corporation, publicly owned and controlled, for the purpose of directing Canadian capital into the development and expansion of Canadian industries.

The second measure we must take, in addition to getting greater Canadian economic independence, is the revision of Canada's tax structure so as to tax all forms of income on a basis of equity. The Carter Report, which was brought down in 1966, has not been acted upon. The government has repeatedly promised a white paper; we are still waiting for it. The latest date offered us is November 7.

I suggest that the Canadian people are prepared to support vital and essential public services provided the cost is borne fairly and equitably by all sections of the population. The Canadian people will not condone having an unfair share of the tax burden fall upon the middle income and lower income groups, while privileged sectors of the economy are allowed to evade their full responsibilities, as has been shown to be the case by the Carter Report.

Third, the government must step up its program to eliminate poverty and to remove regional economic disparity. A start has been made by the government in its program for regional economic development. I am glad to see from the Speech from the Throne that this is one program to which they propose to grant more money. This program, however, must be supplemented by other programs to help those who are below the poverty line, particularly the old age pensioners, veterans and other low income groups. To this end we will be pressing for the establishment of a guaranteed annual income, which in the long run is the only final solution.

Fourth, we believe that special programs must be set afoot to deal with the plight of the Indians, the Eskimos and the Metis. Canada has the productive capacity to create the wealth necessary to help the underprivileged. The economic slack from which we are suffering today represents the loss of several billion dollars a year in potential wealth production. This is why economic growth and full employment are so essential to a prosperous and united Canada. We also believe that housing, urban renewal and pollution control must be given high priority. Improving the environment of Canadians is the major task confronting this government, and a sufficiently large share of our national output must be directed to this end. Fifth, the government must tackle the problem of

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

administered prices. Today at least two-thirds of our prices are no longer responsive to the law of supply and demand but are under the control of monopolies and quasi-monopolies which set their own prices with little regard to the marketplace.

We had a very good example today of how much the government is concerned with this problem. The Steel Company of Canada announced a 6 per cent increase in steel prices. When I asked the Prime Minister about it, he said, "We have no authority to look into wages". We are not talking about wages; we are talking about prices. Is the Prime Minister implying that the increase in the price of steel is due to the increase in wages? This is why we want an investigation.

Mr. William Mahoney, the Canadian director of the United Steel Workers of America, contends that wage increases can be completely met out of the improvement in productivity in the steel industry. I contend that if the government were doing its job it would immediately investigate this increase in the price of steel. If the contention of the steelworkers is correct, namely, that their increased wages can be met completely out of increased productivity, this government has the obligation to require the steel industry to roll prices back to their former figure.

Finally, Mr. Speaker, we maintain that Canada must take a much more independent stand on foreign affairs. Our increasing economic dependency on the United States has unfortunately led to political dependency and acquiescence. Let me give some examples. First of all, the ABM system. On March 19 last, as reported at page 6853 of *Hansard*, the Prime Minister said:

If, Mr. Speaker, after receiving all the information, we are led to the view that the ABM system constitutes escalation and is conducive to greater peril for mankind, then we shall condemn it. We shall tell the United States that we disapprove. If, on the other hand, we are convinced that the ABM system is necessary though regrettable as a move by the United States, then we shall have to decide whether or not we shall participate in the operation of that system.

● (3:40 p.m.)

The ABM system was hotly debated in Congress. It was finally passed in the Senate by a majority of only one, and was made law by the President of the United States. But during all that discussion the Prime Minister was silent. The proximity to the Canadian border of two of these bases can affect the lives of Canadian citizens. The escalation of the nuclear arms race could affect the survival of the human race, yet the Prime Minister