

taken into account the problems of those receiving it. They have pointed to methods of improving the entire system. In future I hope that when a man who has been on welfare is offered a job paying less than his welfare benefits, he will obtain a supplement to make up the difference if he can prove that he was getting more on welfare. By adopting such measures I think we will avoid the waste created in the field of welfare.

Unemployment and its evils will be cured by the economic policies of this government. Tonight I do not want to make a trite speech. I wish to make a constructive contribution and suggest how we can conquer inflation and unemployment. I submit that in certain areas the Prices and Incomes Commission did not go far enough last year. I submit that the steps taken were fine, considering that we were dealing with new techniques. I am proud of the results. In some respects the economy of this country has performed better than the economy of any country in the world.

I wonder whether we could not now devise a procedure whereby if Dr. Young and the commission made inquiries into an industry in which costs or prices were mounting, the commission could declare that in its opinion an economic emergency existed with respect to that industry. Step No. 2 would be that either the Prime Minister or the Minister of Finance might act. I am not sure just how the plan would work; I realize there are imperfections in it. However, I believe that a general plan of this type would be good and the commission ought to be empowered to make such a decision. I submit that it should be able to say that an economic emergency existed with respect to a certain industry. Once an economic emergency had been declared, I submit that the federal government should invoke its constitutional powers in order to deal with the emergency. First a declaration of emergency ought to be made. Once it had been made, that the Department of Finance should have the power to impose what might be known as an anti-inflation tax on the offending party. It could be applied with respect to wages or prices.

I do not think that the workings of such a plan have been spelled out in Canada. A similar plan worked well during the war when we imposed an excess profits tax. That was one of the best administered tax measures of the Second World War and it was effective. If such a measure was effective during the Second World War, why could we not impose a similar measure now? Part of our difficulty stems from the fact that we have been reluctant to act owing to uncertainties in respect of the Constitution. We ought to be unanimous on this point. I submit that the question whether the government of Canada has the power to do this should be referred to the Supreme Court of Canada, if there is any doubt about it at all.

I think we should do that now. Let us not wait another six months. Let us refer the question to the Supreme Court of Canada and learn whether the federal government under the peace, order and good government decisions which have been handed down by the Privy Council, has the constitutional authority to take these steps. If there is that authority, I submit that the federal government could control any economic sector that is in jeopar-

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dy at any given time. This would not mean that we would be introducing powers to control prices and incomes. Surely the federal government could impose controls, say for one year or for a temporary period.

If such a measure were enacted, I submit that many such cases would never arise: It would not be worth while for unions or management to seek increases. Therefore, the use of the legislation would probably be minimal. There would be much criticism from the press and certain pressure groups if the government attempted to take this kind of step. Nevertheless, I think the majority of the Canadian people want this type of control. We need something on the shelf which can be used constructively and fairly to control inflation.

I do not think these are impractical suggestions. What I fear is that we will delay referring the matter to the Supreme Court of Canada. I hope soon we do so, and I urge the Minister of Justice (Mr. Turner) to consider the matter. I urge the Minister of Labour, who is in the House tonight, to advocate this step being taken. Let us do it now. Every time we refer a matter to the Supreme Court of Canada the air is cleared in many constitutional areas. We have made good progress by taking this step in the past. Conversely, by being reluctant to refer certain matters to the Supreme Court of Canada, especially those involving constitutional problems, we have created defences against reform measures. I think we could avoid that by referring the question to the Supreme Court of Canada.

The steps which the Secretary of State (Mr. Pelletier) announced will be taken this summer with regard to opportunities for youth are a small but important part of the reorganization of our economy. We have faced the fact that young people in Canada possess initiative. Their ideas are sound. If we give them the opportunity to demonstrate that they can do work that is useful and creative, I am sure we shall not be disappointed. I am sure that the youth retraining measures will be popular throughout the country. They will enable young people to help themselves. Many young people like the idea of travelling. I know that many people in the work force say, "I couldn't do that when I was young; I wish I could do it today." Young people will move around no matter what we say. Canadians apparently want to see their country, and I am very proud that they do. They are explorers, they have initiative and they are inquisitive. Surely if about 10 per cent of the money made available under the youth programs helped our young people to get around their own country and see it, they would learn more about the country and prospects for the future of this nation would be improved.

● (9:10 p.m.)

Mr. Max Saltsman (Waterloo): As always, Mr. Speaker, I listened with considerable interest to the intervention of the hon. member for Calgary South (Mr. Mahoney). I could not help noting his concluding remark and the inference that could be drawn from it. The hon. member seems to believe that the only reason we have unemployment in Canada is in order that the opposition will have