

Economic Policies and Unemployment

Mr. Lambert (Edmonton West): My hon. friend says it would be the same thing in Canada. All our people would be planned out of their shoes. Everybody would be controlled. It would be jobs for the boys, that is all, and the net result would be even worse. Let us look at the paradox of continuing high rates of inflation. One need only look at recent statistics set forth in the last report available from the Bank of Canada to see what is happening. I am sorry I have not the latest figures in this regard, but I have not the weekly bulletin with me. At page 314 of the April issue we see the consumer price index broken down. There we see the wholesale price index and the total index, which is shown for the period up to the end of March as standing at 128.9. I suggest the index is closer to 130 now, because during the last month there was an increase of six-tenths of one point.

The food index stands at 130.5, clothing at 126, housing at 139, and household operation at 115.4. For goods other than food, the total index is 117.9. But when we look at the figure coming under "Services except shelters", I submit that it can be seen that we live in a dreamland, especially when we consider the nature of our economy. It will be seen that 60 per cent of economic activity is in services and 40 per cent is in the production of goods and food. Do hon. members know what the index for all services except shelter has climbed to? In the month of March it reached 147.3. That indicates a cost increase in this particular sector which has far outstripped production. There has been dislocation. It may be the result of imperfect tools, but economic tools and their use should be part of the economic policy of the government. Therefore, the government ought to look at this sector of the economy and pay more attention to it.

We now have the Prices and Incomes Commission which has exhorted management—I do not know exactly to what degree it has been successful—to reduce prices. Some price reductions have been announced. We do not know to what degree any public influence has resulted in a maintenance of prices, but I do not think anyone has really reduced prices—not even the automobile manufacturers who faced a fantastic decline in their sales during the first quarter of 1970. Oh yes, they have reduced their prices merely by making standard features optional. In other words, they have not done anything to reduce prices.

[Mr. Lambert (Edmonton West).]

Mr. Knowles (Winnipeg North Centre): Don't forget peanut butter.

Mr. Lambert (Edmonton West): I suppose the Prices and Income Commission has to a small degree focused some attention on inflation. All governments no doubt will tell you they have trimmed their budgets and have cut back on certain activities. But whatever they have cut back, they have certainly had to lay out again in wages. They may have had to cut back on capital projects or on the maintenance of existing ones, but those cutbacks have been more than offset by increases in wages. The index for services except shelter stands at 147.

Let us consider this question and see what has happened. Teachers in Ottawa are getting a wage increase of 10.5 per cent for one year. In Toronto, the outside municipal workers are to get 19 per cent over two years, which is practically what the teachers have received for one year. Of course, right now we cannot tell if this is so, but I will wager that those increases are not matched by any increase in productivity. Any increase in productivity will nowhere near match the increase in wages. I think the studies last fall of the Standing Committee on Finance, Trade and Economic Affairs, when views were received from the public, clearly indicated that there must be a much closer rapprochement between the average rate of wage increases and salaries of management, and in that I include the taking of dividends which are part of the wages of management.

The wages of production workers as well as of management have increased. I am not going to single out the wages of some people who are earning a salary at a supposedly medium or lower level—not at all. There have been excesses all along the line, as well as in government. We have seen them. In 1969, as a result of my question that was answered in January, there was published a return. It is too bad the answer was not printed in *Hansard*, because then the public could have seen it. This was an Order for Return to be tabled. In it we saw that senior levels of the public service in Ottawa had received salary increases of up to 25 per cent, and perhaps more, effective in 1969. There was no increase in the productivity of those men, in return for the extra moneys they received. So we get this inflation. I have talked quite a bit about inflation, but the problem is still with us and it is very serious.