

The government, through the Prices and Incomes Commission, has introduced measures to control rises in prices to make our products more competitive, more saleable. But unfortunately the efforts of the Prices and Incomes Commission, as we know only too well, have not proven to be effective. They have not proven to be effective, for three reasons. One is that no sanctions have been provided for those who do not live up to the agreement which industry made recently with the government. Second, as we have seen confirmed only this morning, organized labour has not agreed to give the government the co-operation which it needs to make control of inflation a reality. Third, because management is permitted by the government to add labour increases to its increases in costs, above which it is not allowed to raise prices no matter how high the increases in labour costs are each year, they can simply be added onto the increases in other costs and be perfectly well justified.

I believe the only practical method of controlling inflation, bringing prices to a reasonable level, and making our products competitive is to offer industry tax incentives for keeping price rises in a reasonable vein. I have proposed, and propose again, that industry be permitted a rebate amounting to 2½ per cent of its corporation tax each year if it does not raise prices on the average above the 2½ per cent guideline which the government has said is quite satisfactory to it for prices to be increased year by year, and an additional 1 per cent rebate in corporation tax for each percentage point below the 2½ per cent increase, down to no increase at all, so that if a company did not increase its prices in a year it would recover a tax rebate of 5 per cent of its corporation tax.

This would not cost the taxpayers anything because our tax intake, I believe, would increase rather than decrease. There would be more people working, more goods would be sold, our products would be more competitive against those with whom we are competing, more taxes would be paid by people working instead of their drawing unemployment insurance. There would be more commodity taxation collected because more commodities would be sold, and there would be more corporation taxes collected because greater sales reduce the unit overhead of the products we sell, making it possible for more profits to be taxed.

Therefore, Mr. Speaker, I strongly urge the government to introduce such an incentive in order to make a practical reduction in our

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Measures to Provide Guaranteed Income
very rapidly rising cost elements, and in that way make our products more competitive, make our goods sell more readily against foreign competition in Canada and in the overseas market. In this way we would not only reduce the rapid rate of price increase in this country but rapidly reduce the rate of increase in unemployment which is growing far too fast in our country today.

Mr. Broadbent: May I call it five o'clock, Mr. Speaker?

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE
DEBATED

Mr. Deputy Speaker: Order. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Winnipeg North Centre (Mr. Knowles)—Suggested discussion of Conflict of Interest Bill; the hon. member for Portneuf (Mr. Godin)—Canadian National Railways—shut down of some stations; the hon. member for Comox-Alberni (Mr. Barnett)—Research—Suggested grant to Canadian Peace Research Institute.

It being five o'clock, the House will now proceed to the consideration of private members' business as listed on today's Order Paper, namely, Notices of Motions.

PRIVATE MEMBERS' MOTIONS

SOCIAL SECURITY

SUGGESTED MEASURE TO PROVIDE GUARANTEED ANNUAL INCOME

On the order:

October 23, 1969—Mr. Broadbent—The following proposed motion:—That in the opinion of this House, the government should give consideration to the advisability of ensuring by law a guaranteed annual income as a means of ensuring that all Canadians will have an income sufficient to provide for a life of dignity.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I believe there was agreement to let this one stand and retain its place, and to move on to the next notice of motion.

Mr. Deputy Speaker: Is this agreed?

Some hon. Members: Agreed.

Mr. Deputy Speaker: Motion stands.