

*Anti-Inflation Act*

there should be more adequate recognition of conditions in the high Arctic, especially economic conditions which are not the same as in the rest of the country.

The government has created many of our economic difficulties. It has proposed wage and profit controls as a solution to these difficulties. In its wisdom the government has lumped all our economic problems under the catchword inflation. It has said that we should now knock the wind out of inflation, and it proposes to attack inflation by controlling our wages.

What is the government doing to solve other problems like unemployment, monopolistic market structures, and in housing and transportation? Housing and transportation, particularly, are important matters for my constituents, as well as for many others in this country.

Over and over again you hear members of this House talking about the problems in housing and problems in transportation. I tell them that transportation is one of the big problems in my area. The high cost of transportation has led to the very high cost of living with which people must cope in the part of the country I represent. Even though the government refuses to acknowledge these problems, I assure you, Mr. Speaker, that they exist. The white paper which preceded this legislation touched, at one point, on these problems. It is too bad that the concern shown was not translated into legislation. The part to which I refer was near the beginning of the white paper, in that section dealing with the infrastructure of our economy.

The job market is one of the structures of our economy. What is happening in the job market? The national rate of unemployment is over 7 per cent; in some parts of the country it is over 20 per cent. Statistics show that the unemployment rate for native people in northern Alberta is about 65 per cent. I guess unemployment is not much of a problem in constituencies like Rosedale or Mount Royal.

**Mr. Macdonald (Rosedale):** Or Broadview.

**Mr. Firth:** What about the housing problem? One can see many problems in the housing part of our economy. Housing costs take a big chunk out of peoples' take home pay, and the percentage lately has been getting bigger, faster. I suggest that these increased costs have nothing to do with the wage demands of a tin bash or of a swamper. No, Mr. Speaker, high costs have much to do with high mortgage rates.

In Yellowknife a house costs almost twice as much as a comparable house costs in Edmonton, although the two centres are only 1,000 miles apart. In Rankin Inlet, in the Northwest Territories, the problem is even worse. People who do not have a government job cannot buy, rent, steal, or borrow a house. I guess hon. members opposite and to my right would explain this in capitalist terms by saying that in Rankin Inlet there is a seller's market. Anyone who manages to put up a small, poorly insulated house in Rankin Inlet could ask for the price of the moon as rent, and get it. That will show you how bad things are in Rankin Inlet. As I said, we in the Northwest Territories know about inflation. That is why I say this bill will do little or nothing to solve the problems I mentioned, problems existing in my part of the country.

[Mr. Firth.]

Transportation is another part of our economic infrastructure. Hon. members may be surprised to learn that the Northwest Territories are served with bus lines. The bus provides a cheap link between Edmonton and Yellowknife. It moves people and goods cheaply between those two centres. Actually, most of us in the north depend on air transportation, although merchants use the bus system to ship small items from the south. The price of shipping by bus recently rose by 30 per cent. As the increase took place on October 1, this legislation will not roll it back. That 30 per cent price increase will be borne by people like Jerry Rieman who runs the camera store in Yellowknife. Jerry will pass the increase on to his customers, and they will pay it. We shall see increases in the cost of aviation fuel, and other increases in transportation costs. We know they are coming. This legislation will permit them and they will be passed on to the consumer. Those increases will be inflationary. This bill will do nothing to stop them.

● (1520)

This bill does not stop the inflation problems of the ordinary consumer. It does stop the inflation problem of those who live in places like Mount Royal and Rosedale. What is that problem? The problem is trying to stop paying more and more for wages. People who live in places such as Rosedale and Mount Royal are more likely to be employers than employees.

The government has solved one inflation problem for a few people. However, when prices go up because of higher transportation costs, higher housing costs, or anything else that will fit through a loophole in this bill, other people will pay. They will pay for it out of take home pay that has been frozen, frozen because the elected representatives from Rosedale and Mount Royal think that controlling wages is the only answer to inflation in our economy. As I said, some people in other parts of the country do not agree with them.

I am sure some members opposite are about ready to tell me that the price controls outlined in the bill will stop inflationary price increases. Before they do that, let us look at what will happen when the price of gas will again go up.

Pacific Western Airlines, which operates out of British Columbia and Alberta into the western Arctic, will be forced to increase its rates on merchandise being shipped to a wholesaler in Yellowknife. That wholesaler will have to raise his price on goods going to Snowdrift, Fort Simpson, or wherever. Retail outlets in these places will have to raise their prices and the consumer will have to pay the increase out of his controlled wages. That is just a simple example.

Into the picture comes the Anti-Inflation Board. Let us say they get there three or four months after the initial increase and their investigation goes on for a month. After that time they may decide the airline was not justified in increasing its freight rates. Is the board going to see to it that the consumers in smaller communities, who for months have been paying five or ten cents more for items will be reimbursed? I seriously doubt that.

The board will not be able to stop all the other five and ten cent increases that are bound to occur, not even if they had 5,000 employees instead of 500. They will not be able to do that because this bill only stops increases in wages.