

*Anti-Inflation Act*

However, within that bill there was a provision which this bill does not contain. That bill contained a mandatory reporting provision for companies which allowed the board to determine whether they were taking more than their share in terms of profits. To the credit of the minister that bill provided that price increases should be telegraphed in. This provision was contained in clause 51(1),—the bill, by the way, was dated April 29, 1974—and it required that any company seeking a price increase must first notify the board. The board then had the opportunity to inquire into the proposed increase. If the board did nothing, the increase came into force; if the board on examination found that the company was taking too much, was raising its price too high or its profits were excessive, then the board would exercise control. There is no such provision in the present legislation. In my view it is completely essential for any meaningful price control legislation that the board have advance notice of the price increases.

*Ex post facto* regulations simply will not work. What do we do if a woman buys a loaf of bread, and seven or eight months later the board determines that Weston's, or whoever it was, had allowed that price to rise to an inordinate degree? First, we do not know who the woman is who bought the bread. The fact that there is a possibility of a fine—and I will deal with that because the likelihood of a fine is very slim—will not help her very much, her standard of living or her ability to support her family.

Without the necessity of telegraphing price increases in, we do not begin to tackle the question of price control. The idea that somehow this board will be able to monitor prices across the country simply will not bear reasonable examination. In the kind of complicated market system we have it is completely impossible for that to be effective. However, if it were turned around and all prices, before being allowed to increase, had to be telegraphed in, at least there would be the beginning of some sort of price control mechanism. The fact is that that floodgate cannot be opened just a little bit. We cannot say we will deal with these little sections of the economy after prices have gone up.

What will happen is that by next spring the government will be hanging its head because of the inequities which will naturally develop throughout the system.

We in this party have been receiving a lot of mail for a change.

**Mr. Darling:** In other words, you are the friends of the union. We haven't.

**Some hon. Members:** Oh, oh!

**Mr. Gilbert:** It is coming by courier service.

**Mr. Leggatt:** The last piece of mail I received before the shutdown dealt with this matter, and I think it dealt with it in a rather poignant way. It said the following:

We all listened very carefully to the Prime Minister's speech, as well as to Mr. Barrett.

This letter obviously came from British Columbia.

We think it is a good move and would like to give our views.

Would it not be more fair to scale the wage demands, like: people making up to \$10,000 may ask for 15% increase, from \$10,000 to \$20,000

[Mr. Leggatt.]

may ask for 10%, from \$20,000 to \$30,000 may ask for 5% and all over \$30,000 should set a good example and not ask for any increase?

**Mr. Knowles (Winnipeg North Centre):** Hear, hear!

**Mr. Leggatt:** The letter goes on:

If the average Canadian realizes that their leaders, business bosses, etc. tighten their belts, you can be sure they will follow.

The country and the Canadian people are beautiful, that's why we decided to become part of it. We would not like to see it destroyed.

The members of this family put their finger on the basic problem behind any kind of control system. There has to be equity and fairness; there cannot be a control system where the rich get ahead on the backs of the poor. If we examine this system we find that the poor will become poorer and the rich will become richer. The rich will fight inflation on the backs of the poor. That is no system by which to develop a consensus. We cannot expect to pull society together, to make people feel as one, as Canadians fighting inflation, when they look around and see a \$36,000 carpet in the parliamentary restaurant and subsidized parliamentary meals.

There is nothing in the bill which touches one of the real problems of inflation, which is the credit card philosophy in this country. When we go into a good restaurant we find that a large percentage of those who are eating there are eating on expense accounts. The manager of the restaurant knows his patrons are passing the charge on to their employers, and so the price of his product goes up and there is no resistance to it. The man down the block who runs another restaurant may not have as many expense account customers, but when he sees steaks selling for \$10 he figures he can get \$7, and then the next man further down who might be selling for \$5 raises his to \$7. That is not price push, it is price leadership, and it goes all through society. This bill does not tackle that problem.

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There is 18 per cent interest charged on credit card accounts, and people have the idea that they can buy anything they want any time. This is one of the major features of inflation, and one of the major reasons for the permissiveness and softness being developed on the Canadian scene.

Someone quoted the Prime Minister (Mr. Trudeau) earlier as saying that the underlying malaise is people trying to get more out of the economy than they are putting in it. I am convinced that is part of our problem. It is a deep problem, a philosophic problem. We are becoming a soft, permissive society, but people are not strengthened by being told to reduce their level of consumption, to pull in their belt exactly one inch. That way the fat man is still in great shape but the man with no room left on his belt collapses from hunger.

We are not being equalitarian in the way we are producing this bill. We are rewarding the rich and penalizing the poor, so there is no reason for the poor to get behind the legislation. If the maximum were made \$1,000 across the board that might tackle some of the problem. If the salary rate increase for members of parliament were limited to \$1,000, and also to \$1,000 for everybody else, that might start to deal with the problem, but we should not expect