

are provided by this legislation; I am fearful that the prolongation of the war is imbedded in this bill.

**Mr. B. Keith Penner (Parliamentary Secretary to Minister of State for Science and Technology):** Mr. Speaker, having been out of action in the debating ring for a while, this is my first venture back into it and I assure hon. members that my comments in respect of Bill C-73 will not be unduly long, so that the leader of the New Democratic Party (Mr. Broadbent) will be able to be heard very shortly.

**Mr. Nystrom:** Can he have some of your time?

**Mr. Penner:** Certainly. I should say at the outset that all the many arguments that have been made in the past against economic controls probably could well be repeated in the debate on this bill and would still have a considerable amount of validity, depending on how those arguments were made. I made many of those arguments myself, having served on the committee on trends in food prices and having used them during the election campaign of 1974. I refer to such reservations as the possibility of very serious inequities resulting from a comprehensive policy of controls or even a limited policy of controls.

There is also the very great likelihood that controls could cause very serious dislocations in the economy, particularly on the supply side. I think these are some of the major reasons the government, quite properly, delayed making this momentous and even drastic decision until this time. The question now is why, at this moment, has the government made such a decision? I should like to come back to that point a little later. First, let me refer to my own view of controls. I have already indicated that I have argued against them. I still have reservations concerning them as, I believe, do many members.

During the late summer and early fall certain experts in our society began to look at the economy as it was functioning and a number of them reached a very radical decision about what must be done. I refer particularly to one man who influenced my thinking in this regard, Mr. Ian Macdonald, president of York University. Mr. Macdonald, who served as deputy treasurer of the province of Ontario, made several important speeches during this past summer and early fall. He emphasized, in a most convincing way, that now is the time for immediate wage and price controls to be introduced.

**Mr. Baker (Grenville-Carleton):** Did he mention John Turner?

**Mr. Penner:** You would have to ask the hon. member about that. At the moment I am talking about what influenced me. Mr. Macdonald said that to do nothing is to accept the harsh reality that we could have 10 per cent unemployment and 15 per cent inflation this winter. He indicated that he came most reluctantly to this decision about the need for wage and price controls. In his view, however, this was necessary in order to curb far more serious problems in our economy than we have at the present time.

I think this is the view that is now shared by the government. The government has reached the decision that we are entering at this moment a completely new

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economic era in Canadian history, and that unless strong measures are adopted and followed we could be heading for economic and social upheaval. The white paper which was introduced earlier expressed it very well in the following words:

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If this inflation continues or gets worse there is a grave danger that economic recovery will be stifled, unemployment increased and the nation subjected to mounting stresses and strains.

I have referred to the apprehension which members of parliament and others feel about controls. We know that there will be many vexations and annoyances as a result of this policy, and frustrations as well. Members of parliament will have to deal with these on behalf of individuals and groups in their constituencies. But the real question with which we have to struggle now is whether it is preferable that we live with these feelings and attitudes with respect to controls—feelings and attitudes which are not desirable and nobody would wish to encourage them—or to face what otherwise could take place, namely, economic and social chaos.

My most immediate concern about the selective controls policy of the government has to do with the transition period. I listened carefully to the hon. member for Kingston and the Islands (Miss MacDonald) who advocated that the government be tough, that they take as hard a line as they possibly can and not yield to any kind of concessions that some groups in our society may feel that they can justifiably make. I am not able to adopt such a hard-line approach; it seems to me to be callous and rather unfeeling and not to take into account that there are groups in our society who are caught in a very difficult situation in this transition period.

For example, there are groups that have been in the process of bargaining with their employers. These collective bargaining negotiations have either broken down, or in some cases have continued but without much progress having been made. Surely some consideration has to be given to these people, and some flexibility has to be present so that they will not find themselves largely out of step with their fellow workers.

I am thinking, in particular, of the pulp and paper workers in northern Ontario. Many of these people have been trying to bargain in good faith for what they estimated the industry could afford to pay them. They were looking at the expected profits of the industry, and I think they bargained as best they could. The industry, however, decided that they were going to take a strong stand and as a result there were very few settlements. Now the workers find themselves caught in this transition period. What are we to say to them? That they should not continue with their bargaining; that it is all cut and dried; that it is set; that it has been decided for them by the government? Or should we, rather, look at what the white paper says, namely, that there is some room here, some flexibility, taking into account historic patterns and relationships, so that they do not have to fall out of line with their fellow workers?

There is another group caught in a similar situation—the secondary school teachers in the province of Ontario. They find that their colleagues who are elementary school teachers have made settlements. There has always been a