

*The Address—Mr. Dupont*

structures of our society. The social balance that up to now had been maintained and fostered social progress becomes increasingly precarious. This phenomenon is directly derived from the price rise which favours some people to the detriment of others, and that in a context where there are already disparities that the government is desperately trying to remove.

This social impact was first perceived in the case of persons on fixed income. The government has been aware of the difficulties derived from inflation and suffered by older people. They failed to get their share of rising incomes but like everyone else felt the burden of price increases. By this very fact, the balance was upset.

Improvement in our social security system was defeated by spiralling prices that absorbed any additional assistance by the government in that sector. The rate of inflation was higher than that of pension adjustments. As a consequence, social measures lost their meaning, not reaching their objective: to remove economic disparities.

The government acted immediately. The Minister of National Health and Welfare (Mr. Lalonde) eagerly introduced a bill to index the pensions to the cost of living. That measure neutralized the increasing gap separating the active population from that which had withdrawn from economic life. In addition to that measure, the government raised those pensions to a much more realistic level. I find it indeed most gratifying to read in the present Speech from the Throne that the government intends to amend the Canada Pension Plan to enable more Canadians to benefit from it.

Still, the inflation spiral now produces another effect, creates another problem which until recently was non-existent. Union workers who, in good faith, had signed collective agreements now find themselves in a squeeze to respect their contractual commitments. Collective agreements covering 12, 24 and even 36 months very explicitly stipulate salary increases. Those agreements aim, once again, at narrowing the gap between the various social strata in Canada. That is one of the objectives of trade-unionism as we know it in Canada. That phenomenon fits perfectly within the dynamics of our society.

Every one agrees that union action has been a blessing ever since the workers' movement became somewhat better organized. Even employers have gained from it. Because of the organized workers phenomenon, and because of the positive action of the government in this area, there are fewer and fewer strikes and employer-employee relations have become more stable.

The various industrial relations acts confirmed the principle of collective bargaining by forcing employers to negotiate the working conditions of their employees. These acts put an end to all the strikes for recognition which were destroying our economy and our society before the advent of unions.

Moreover, employers today admit that, thanks to unions, their relations with their employees have improved. The union is the spokesman for all the employees concerned, so that employers found it a lot easier to deal with their employees to learn of their aspirations, and to compensate for their frustrations and the inequalities which may occur.

[Mr. Dupont.]

In short, the collective agreement as we know it had become for those concerned a guarantee of stability in preventing conflicts and setting procedures for the settlement of disputes. The golden rule was stability of agreement. Whatever the costs for the employer, he could foresee them and, more important, plan the development of his business with this period of rest in industrial relations provided by the agreement.

This is the way things were, Mr. Speaker, before inflation came, but everything has changed since. Papers abound with reports where unions demand the reopening of collective agreement, where employers, in these new circumstances, take a rigid position. Disputes, strikes termed as illegal, breach of agreement result from this, and everyone holds everybody else responsible for all evils. There is no more social balance. This is the situation I would like to consider.

I come from a province that is just painfully coming out of such a conflict and that will no doubt have to face more of the same. When witnessing such incidents, it is too easy to blame workers. It is too easily said that labour unions should simply adhere to their commitments. The real dimensions of the problem are too easily forgotten.

I mentioned the situation of the aged when inflation sneaked in. Workers are in a similar position. The context may be somewhat different, in that many workers are unionized and have spokesmen to cry aloud what they themselves feel. But isn't their plight identical? Don't we have in both cases groups of citizens for which disparity eliminating features no longer function properly? What use is a collective agreement when it no longer reduces the gap between classes?

I firmly believe that in both cases, we have one and a same problem—indexation to the cost of living. What is the significance, in real terms, of 10, 20 or 30 per cent increase when one does not know the rate of inflation that will endure throughout the term of the agreement? Is that acceptable? Nobody knows. Some will nonetheless be outraged with the rate of increase provided for in these negotiations. With inflation there is no longer any standard against which to measure the real worth of pay raises in existing agreements. Workers want that parties negotiate on firm ground, not on the basis of continually changing data. What shame is there in unions bargaining for indexation of their members' salaries? I am convinced that if employers recognized the value of this reasoning, there would ensue a greater measure of economic and social stability.

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In the early years of trade unionism, as much as employers then considered as outrageous to have to negotiate with an certified union, as much do they stiffen nowadays at the mere thought of their union calling for the indexation of all wages. Therefore I believe that past employers have been favoured for a long time by the collective bargaining system and that those of today will gain by allowing that indexation.

In order to cope with present circumstances, it is urgent that we should restore the social balance and enable workers to adjust to the effects of inflation in the same way the entrepreneurs can do it by raising their prices. The same