

*Anti-Inflation Act*

shoremen and stevedoring operations aspects of Cape Breton, being under the jurisdiction of the CNR, will, of course, be covered by the actions of the Anti-Inflation Board.

I would now turn to the bill which defines the areas of application and enforcement of the guidelines, establishes the Anti-Inflation Board, the administrator and the Anti-Inflation Appeal Board, provides enforcement powers and gives authority to enter into agreements with provinces which provide for application of restraint in the provincial public sectors. As I have said, the act will empower the governor in council to promulgate the guidelines in the form of regulations for the restraint of prices, profit margins, compensation and dividends.

● (1220)

As hon. members are aware, the Anti-Inflation Board has now been established under an order in council pursuant to the Inquiries Act. The board so constituted will be succeeded in its existing form, but with the same personnel, by the board once this statute has received royal assent. The two senior members of that board are well known to the House. Already appointed is the Hon. Jean-Luc Pepin as the chairman, and Mrs. Beryl Plumpre as the vice-chairman. It is intended that a third full-time member should be appointed to the board to sit in Ottawa, and five full-time members to sit in each of the major regions of Canada, assisted by additional part-time members. It may be that further members will be added later, depending on the form of participation decided by the provinces.

Commenting on a question raised by the Leader of the Opposition (Mr. Stanfield), there have, of course, been contacts made with prominent individuals in the community whom we feel would be very apt to assume this responsibility. I hope we will be able very shortly to announce both the personnel here in Ottawa and on the local boards.

I believe that the responsibilities to be exercised by the Anti-Inflation Board are reasonably clear. What is perhaps less clear is our reason for proposing the establishment of the separate office of the administrator to oversee enforcement procedures that may be required under the act. Undoubtedly, this function could have been performed by the board, but it was our feeling it would be preferable to divide it.

The role of the Anti-Inflation Board goes considerably beyond that of ensuring compliance with the guidelines by those sectors of the economy subject to enforcement. It has, as I remarked elsewhere, the responsibility to go out—we hope with missionary zeal—and persuade all sectors of the economy to keep their demands within the guidelines. It was our view that to better fulfil this role we should not call on one person to act at the same time as both conciliator and enforcer.

If the board is called on to persuade a party to modify prices and incomes which it considers in violation of the guidelines and subject to the provisions of the law, it would be empowered to refer the case to the administrator or his consideration. If the administrator concludes the guidelines have been breached, he can issue an order enjoining their contravention and requiring reimbursement where appropriate. Orders of the administrator may

be appealed to the Anti-Inflation Appeal Tribunal which is already established under the bill. The decisions of that tribunal will, of course, be subject to the general provisions of the Federal Court Act with provision for appeal to the Federal Court. The administrator's orders may from time to time be changed or rescinded by the governor in council.

With regard to the so-called teeth of the bill, it provides penalties for failure to comply with an order of the administrator, for failure to keep appropriate records, and for misrepresentation. It enables the administrator to levy a penalty of up to 25 per cent of the amount by which revenues received or compensation or dividends paid contravened the guidelines where the person knowingly contravened or conspired knowingly to contravene the guidelines without having reasonable grounds for believing that the contravention could be justified.

I would like to refer to the period during which the legislation will be in effect. This question was raised in the earlier debate. As members are aware, the bill provides for a termination date of December 31, 1978, although it may be terminated earlier than that by proclamation, or extended beyond that period with the concurrence of parliament. Because inflation is so deeply entrenched, it cannot be expected that it will be possible to wind it down quickly or easily. Certainly, no dramatic results can be expected in the early stages. For my own part, I am very anxious that this intervention by the government in the operation of the economy should end at the earliest possible date. When that will be, however, will depend very much on the extent to which we are successful in achieving our objective.

Now, Mr. Speaker, I would like to take the opportunity to respond to some of the concerns, questions and criticisms that have been raised in connection with the program announced by the government to launch a concerted attack on the major underlying problems confronting our economy. I very much welcome the generally strong support for the program that has been expressed across the country during the past few days. I recognize that the hosannas were, of course, not universal—that was to be expected—but I appreciate the sense of responsibility displayed by those who differ with our judgment, and I respect their points of view.

A few days ago I read with some bemusement an editorial in a newspaper which has long urged adoption of controls upon us. It was berating the government with all its usual acerbity because of the complexity of the measures put forward. It is rather simple-minded, it seems to me, to believe that in an economy as large and complex as our own it is possible to devise a simple prices and incomes program which is at the same time reasonably fair and effective.

As I indicated when I spoke in the special debate on Tuesday, and would like to emphasize again, we are well aware that the program proposed in the legislation before the House is bound to create difficulties and uncertainties. They are inherent in the nature of our economy. We will be working very hard in the days ahead to do everything possible to minimize those difficulties and uncertainties in consultation with the provinces, labour, business and other groups. But there is certainly no such thing as a perfect system that will be fully acceptable to all the