

Anti-Inflation Act

Mr. Yvon Pinard (Drummond): Madam Speaker, it is quite praiseworthy for the Canadian government to tackle immediately and vigorously the serious problem of inflation. It is essential that all Canadians not only realize the grave danger threatening our economy but that they voluntarily and consciously join the government in its efforts to control the inflation cycle.

During the past few years and especially in recent months we have witnessed frantic competition to obtain the highest profits, prices and salaries without any noticeable improvement in living conditions and the general quality of life in Canada.

● (1700)

One result of those unchecked increases was to make the cost of living rise considerably and another, to allow some fortunate people get profit margins or raises in salary that were appropriate and often more than enough to face the same cost of living, most of the time at the expense of small and medium-size businesses, small businessmen and low-wage earners, less able to defend themselves against rampant inflation.

Moreover there is not doubt that higher production costs and unrestrained price hikes are destroying the country's capacity for effectively competing on the international market. I say all that to point out that inflation is a present and growing evil in our society and that its ill-effects have repercussions on each individual's life. If, therefore, it is true that the fight against inflation has become the "business" and requires the co-operation of each Canadian, I think the present Bill C-73 has all necessary elements to recruit... successfully the majority of Canadians, without necessarily resorting to a true freeze of all wages and prices for a short period between 60 and 90 days, as previously suggested by the Progressive Conservative Party, the massive issuing of dollars by the Bank of Canada for a so-called compensated discount—which by the way means absolutely nothing and is apparently understood only by the misunderstood—as suggested by the Social Credit Party of Canada, or the killing of the private sector and the remuneration by the state without regard for competence and initiative, as suggested by the New Democratic Party.

This is a policy which is more adaptable and respectful of rights and reality: a selective control of benefit margins, prices, dividends and wages in Canada, which permits on the one hand the industry to spur production and, on the other hand, workers to keep their jobs, earn sufficiently more to meet the cost of living increase and, as consumers, to see a gradual softening of the substantial price hikes we have known.

Many Canadians are prepared to give up more substantial salary increases provided their purchasing power becomes larger and larger; indeed what is the use of getting a 25 per cent salary boost when at the same time you have to meet a 40 or 50 per cent consumer price rise and even more? If we can prove with the good administration of this anti-inflation legislation along those next three years that salary increases limited to 8, 10 or 12 per cent, as the case may be, do spell better purchasing power—taking into account simultaneous controls over profits and prices—and therefore improved quality of life

[The Acting Speaker (Mrs. Morin).]

for Canadians as a whole, the Trudeau government will be said to have taken the lead at the right moment and in an efficient way to straighten the economy of this country, for is it necessary to add that this government, as it should, is showing itself ready to curb substantially its own expenses.

However, this vast attack on inflation should not be made at the expense of small earners who were not lucky enough to get a new labour contract or a reasonable salary raise before the critical date of October 14, 1975. It may be difficult to put into the legislation or its regulations special provisions and variable standards to provide for regional disparities. It is nonetheless essential not to condemn those with really low salaries to near poverty for three years.

It would be unfair for those underprivileged to retain for another three years that unenviable status, when this government, through its various departments and especially that of Regional Economic Expansion, has made so many efforts, and still does, to fight against regional disparities. To my mind, the low-wage earner, the small and average businesses in the areas of slow economic growth, should be granted the same protection as farmers to whom the provisions of the anti-inflation act do not apply.

Though it be true that consumer price and rent controls protect the less fortunate, people who live on a fixed income such as pensioners, we must continue to improve the lot of the poor; the fight against inflation must be waged above all "on the backs" of those who encouraged it most, that is, big business with its excessive profits, and those who managed to inflate their incomes beyond reason.

The bill and its regulations can and do give in fact considerable latitude and discretion to the Anti-Inflation Board, chaired by my distinguished predecessor as hon. member for the constituency of Drummond in this House, the Hon. Jean-Luc Pepin, who by the way resigned from all the positions he had up to now to be able to devote himself to the Anti-Inflation Board without conflict of interest. In the white paper "Attack on Inflation" which was tabled in the House of Commons last Tuesday, it is said on page 22, and I quote:

Future increases provided for in contracts and agreements in force as of October 14, 1975 including cost-of-living adjustments, will be exempt from the guidelines. Where agreement has been reached by October 14, 1975 on compensation increases to be incorporated in new contracts, such increases will also be exempt from the guidelines. Special consideration will be given to those cases where contracts have expired and negotiations are underway, where the expired contract was signed prior to the beginning of 1974.

In the same white paper, on page 26, we can read, and I quote:

There will, therefore, be exceptions to the above guidelines. If an employer can demonstrate that he cannot attract or hold workers at existing wages and that an increase above the guidelines is necessary, the employer will not be regarded as having breached the guidelines.

There may also be other grounds for exceptions, such as increases necessary to maintain long-established historical relationships between wages in closely related groups and other special cases of equity. Employers may also grant increases in compensation above the guidelines if such increases result from taking measures to improve the health or safety of the employees while at work, to eliminate restrictive work practices, to offset experience deficiencies in pension funds, or to eliminate sex discrimination in pay practices.