

tions concerned, to go wherever people are employed, and to search through books of workers' unions to see if they are not trying to hide something or cheat.

Mr. Speaker, this program is already enticing businessmen and labour unions to cheat the government. That is what we do not want to happen. That is what the government should seek to avoid. So, instead of imposing on Canadians a control policy, a socialist policy, let us apply a policy worthy of the democratic government label, a free enterprise policy, allowing every one to develop according to his free will and to achieve his desires, and thus we will permit the production of useful goods, products desired by the population, and let us at the same time provide the population with enough purchasing power to get the goods producers can supply, the goods the population needs. That is the program I recommend to the government as we have before us this legislation which will be sent to the committee for study and will come back before the House. We will try to get that program adopted.

Mr. Claude-André Lachance (Lafontaine-Rosemont): Mr. Speaker, when the Prime Minister publicly announced last Monday night the measures proposed by his government to fight inflation, I was glad to see that Bill C-73 would be sharp-edged and that the review board would have real power.

There is no doubt that during the last months considerable public pressure among Canadians demanded firm and, I dare say, authoritative action to oppose what it is now common practice to call a collective psychosis created by the present and future galloping inflation.

Many thought and feared that once more the anti-inflation plan would at best be a persuasive measure. Unfortunately, past experience has shown that mere incitement to moderation was not sufficient and that in times of anticipated crisis each of the powerful groups of our society tries to protect itself as well as possible by catching up with the purchasing power of the dollar that has been lost and by protecting this purchasing power for the future in case the economic situation would deteriorate even further. That is what is meant by the collective psychosis of inflation and everybody has understood its psychological causes and felt its economic effects, the unions, the large companies, the professionals and the civil servants.

So, last spring's stimulants having proved inefficient, new solutions had to be found and formulated to exercise greater, closer control over the laws of the market. Fortunately for us Canadians, we have been able to gain some insight from the experience acquired in that field by our neighbour to the south. Through a series of controls, the latter managed, from 1971 to 1973, to lower by several points its rate of inflation. But at what cost! An acute economic recession, chronically high unemployment, social unrest, state bankruptcies and black market activities.

Conclusions had to be drawn and efforts made to avoid the errors and pitfalls from which those evils stemmed. The result of that cogitation is Bill C-73, to provide for the restraint of profit margins, prices, dividends and compensation in Canada. What is it, essentially? First of all, two economic techniques intended to use present mechanisms to better guide the market have been used, namely fiscal and monetary policies aimed at increasing total demand

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and production at a pace compatible with lessening inflation and, secondly, structural policies aimed at dealing with the particular problems of energy, food and housing, to make the economy more dynamic and more competitive and to improve labour relations.

Another mechanism has been advocated by the government in these anti-inflation measures; although not new since it was already featured in last June budget, it is nonetheless a serious indication of the new trend toward restraining government expenses. I refer to a policy of public outlays geared to stifle the growth in expenditures as well as the pace of growth in employment in the public service.

But the item which is really new—and it is the one we should examine in the debate on Bill C-73—is the new price and income policy, which reads as follows, on page 3 of the white paper:

establishes guidelines for responsible social behaviour in determining prices and incomes of groups, together with machinery for administering these guidelines and ensuring compliance where necessary.

I will not dwell in detail on the whole Bill C-73, which is of an incredible complexity and the importance of which—as indicated by the hon. member for Peace River (Mr. Baldwin)—is minimized by nobody. I will not discuss in particular the price control issue, leaving to somebody else the task of bringing out its main characteristics, its advantages and disadvantages, its eventual means to face it and the legal procedures applicable. Let us simply say that the control board will have a big responsibility to bring certain industry majors under discipline and that it should not hesitate to enforce to the letter the penal provisions now that we have, for once, legislation with teeth in it.

I would rather speak at some length on the second facet of this act, namely the guidelines on incomes. First of all, it is important to emphasize that these guidelines are flexible and allow the newly set-up Anti-Inflation Board a lot of room for interpretation and discretionary power. By the way, I would like to take this opportunity to greet its president, Hon. Jean-Luc Pepin, and its vice-president, Mrs. Plumpton, to whom I wish good luck and good cheers. The guidelines regarding wages and salaries and other types of remuneration consist of four elements: (1) The basic protection factor. (2) A share in increased national productivity. (3) The improvement of past salary policies; and (4) the minimum and maximum increments in dollars.

I shall briefly deal with the third point and in more detail with the fourth, which makes up the core of my argument. I contend it is very important that this new policy provide for a so-called "catching-up" factor.

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Indeed, the aggravation of some unbalances has been the first consequence of inflation and the tendency in the last few months to provide for considerable increases in collective agreements, and I have in mind those of policemen and MUCTC drivers or even mailmen. It would have been socially unacceptable not to provide this stabilization factor particularly in the case of different bargaining units within the same company or service, when collective agreements unfortunately, do not expire at the same time and one unit obtained what others, on account of a date arbitrarily set, cannot get.