

Anti-Inflation Act

● (1540)

An hon. Member: Let's not make jokes.

Miss MacDonald (Kingston and the Islands): It will be no joke if you have to live under those kinds of regulations. The granting of powers such as these to the government is, and should always be, recognized as an extraordinary measure. Let us demonstrate this. Let us show the people of Canada that this is a temporary measure, not a new government program of indefinite or interminable duration, and that the form of this legislation makes this very clear. The bill should not be proposing a major change in the economic and social structure of the country. It should not be using a temporary crisis brought about in large part by poor fiscal and monetary management by the government to give lasting and sweeping powers to the government.

Neither should a special bureaucracy be created to administer this legislation. Surely that can be done in a way that will not add yet another increase to the permanent civil service. Let us do it right. Let us not leave any room for false impressions. For once, let us see that the action matches the intention.

Some hon. Members: Hear, hear!

Miss MacDonald (Kingston and the Islands): The proposals my party put forward, and which I supported, called for a timetable of controls and an early cut-off point. This is vital and is a condition for the support I would give the government's current plan.

I have another concern, Mr. Speaker, and that is about how tough a fight we can expect. As you know, our party's proposal was for a short but total freeze to be allowed by selective and limited controls and only for the duration necessary. This was a program, in other words, that would move from comprehensiveness to flexibility and then to abolition. That is not what the government's current proposal provides. This bill before us starts with an array of guidelines and exemptions. It moves from flexibility to rigidity with no provision for parliamentary review or even analysis of the saliency of the program, and regardless of a flexible approach at the outside, imbedded within this bill are provisions that can be activated at any time the government chooses, which will give it unprecedented regulatory powers in peacetime.

The government has chosen to start with a soft approach. If any program is to beat inflation, it must be seen to be tough. The government must convince the people of Canada that the program will initially in fact stop the inflationary cycle. The climate of the expectation of inflation must be broken. That is what the Prime Minister said the other night, and I agree with him on that particular point.

If the inflation psychology is to be beaten, people must be convinced that inflation will be beaten. They will never believe that if they see exemptions being made for a range of special cases. I fear that greatly, because if some people escape the net and get higher pay raises, or if some companies can put up prices and get away with it, people just simply will not believe that the program will work, and they will have very clear evidence that they are still falling behind and will continue to want and demand more, and in all likelihood they will need more.

I can imagine some of the very difficult decisions that will have to be taken. It is not easy to be tough; and let there be no mistake, being tough will sometimes mean being unfair. But unless the government is tough, it will never convince people that they should discipline themselves to the controls and that they will not be doing themselves and their families a disservice by following the law.

I think it is dreadfully unfortunate that this program has been launched in a way that seems to maximize confusion. Hardly anyone knows how the controls will affect him or her. Each and every exemption the government introduces increases the confusion. We, absolutely, must get clarity and certainty and we must get it fast. I call on the government to be strong and to show, in the really hard decisions it will have to make, that it has the power and it has the will to win this battle. Let it be seen to have determination and confidence in the course it has undertaken.

This will mean that its decisions will not always be as fair as we would normally expect. It will not always be fair to stop some price rises, but we must. Exceptions for some pay raises may look equitable, but to allow them will destroy the whole program. Many inequities exist today and they are suffered mainly by those who do not have great power; those who are unlikely to benefit from any exemptions that will be asked for or achieved.

Tough controls will mean rough justice, as my leader has said. That is just another reason why controls must be of short and limited duration. If the people of Canada anticipate years and years of the exercise of these powers, they will not put up with unfair treatment. If they can see light instead of dark at the end of the tunnel, and if they are convinced that remedy is not indefinitely postponed and that a wait of a limited period will allow redress in an atmosphere from which inflationary expectations are removed, then it will be possible to live within guidelines even when it means suffering temporary and relative disadvantage.

I suggest that the government will incur support if it adheres to a strict interpretation of the legislation, but I predict that it will incur a failure of the program, a loss of the fight and a collapse of confidence if the hard decisions are not taken.

There are many specific items in the bill before us that require careful attention. My colleagues will deal with many of these. Before continuing with my general remarks, I should like to comment on one specific area that does not appear in the legislation but is in the white paper, the action plan, and I refer to the area of rents.

The government will ask the provinces to take action. It has been suggested in the white paper that rents be allowed to rise to some as yet undetermined percentage increase. Beyond that, increases must be justified by demonstrated rising costs. New rental accommodation, as is stated in the white paper, that has no history of rental contracts is exempt for five years. Why is it exempt for five years? Is that the real horizon for this program? Is that what the government means?

I also want to know how the allowed percentage increase referred to will be decided. Obviously, this is an area within the jurisdiction of the provinces, but this is