

Anti-Inflation Act

doubt whether any board, union or management in this country will have any difficulty justifying a contract settlement in terms of any penalties under this legislation, because such negotiations will be out in the open and it will be very difficult to prove that these people ganged up just to defeat the objective of the government by coming into conflict with the legislation. In my view, that particular provision in the act will be reserved for very few cases. I was very interested to hear that the board is working very hard, before the legislation is passed, to find a case they can prosecute so as to sort of balance the scales, but they have been unable to find one.

The people who will be hurt by this legislation are not the school boards, producer boards or marketing boards, teachers, workers or any other group that is negotiating in public. They will be able to justify their position and negotiations will take place normally. Already the Anti-Inflation Board has allowed the postal workers a settlement that is considerably above the 10 per cent limit. I think very few negotiations will settle for 10 per cent; the settlement will be at least in the region of the cost of living, which is 13 per cent, and, as I say, I very much doubt whether any penalty will be applied.

So who is it, Mr. Speaker, who is going to get hurt? It will not be the banks, the mortgage companies, the insurance companies or wholesalers. Those who will be hurt are people unable to negotiate for themselves in any way. The government has indicated to the public that the minimum increase within the guidelines will be \$600, and in committee this was raised to \$750. We suggested that it should be \$2,400 and that the minimum and maximum should be reversed, with \$2,400 being given to the poor and the smaller increase to the rich. Most members of parliament would have agreed with that in their own case, to set an example. But this is not the case. The old age pensioner, the disabled, those living on the minimum wage or on fixed incomes in this country will not get the \$600 or the \$750 because the bill provides no method for giving it to them.

● (1510)

You can rest assured that the people who will get the \$2,400 will be those who have the power to get such a raise. They will get the increase, but those at the bottom income levels will not. We are creating inequities, by this bill, in terms of the poor people of this nation. It is a disgraceful piece of legislation. This reminds me very much of the Postmaster General (Mr. Mackasey) talking about patriotism. I suggest that the cost of patriotism can be very high; many of our citizens paid very dearly for patriotism during the last war. This government apparently has made a decision not to bring forward any legislation in respect of our veterans to increase their allowances or pensions no matter what their needs may be. These people will have to pay again because of patriotism.

I remember the other side of the coin. During the last world war, farmers were asked to increase production as much as possible as their contribution to the war effort. They did that, and most continued to do so—I suppose on the basis of patriotism—for 20 years following the end of the war. Many of the farmers of this nation are still doing it. I hear members of this Anti-Inflation Board talking about looking at marketing legislation in this country. Let me quote just a few figures in regard to commodity prices

and then ask whether marketing legislation is what the board should consider, or should this new board consider the fact that this government is making no attempt to control prices at the wholesale level?

This is a comparison of certain commodity prices in Manitoba from 1972 to 1975. It uses, as one example, a 16-ounce loaf of bread. Apparently, one pound of wheat yields one pound of bread. In 1972, one pound of wheat yielded 3.1 cents to the farmer. The wholesaler sold a pound of wheat in the form of bread for 23.3 cents. The retail price was 28 cents. This meant that the farmer was getting slightly over 3 cents, the wholesaler was getting slightly over 20 cents, and 5 cents was added on at the retail level. The retailer and the farmer were not making very much from a pound of wheat or a pound of bread but the wholesaler was making 20.2 cents.

In 1975, the farmers were getting 5.4 cents, the wholesaler was receiving 32 cents and the retailer was selling the pound of bread for 39 cents. The farmer was receiving about 5½ cents, the wholesaler was receiving about 27 cents, and the retailer was getting about 7 cents. This was still no big deal for the retailer and certainly no big deal for the farmer. The wholesaler was still doing very well.

One could make a similar comparison in respect of milk. The farm price for a quart of milk in 1972 was 18 cents. The wholesale price was 32 cents, with a 2-cent mark-up to 34 cents at the retail level. In 1975, the farm price has been 29 cents a quart, the wholesale price has been 48 cents, and the retail price has been 51 cents. The retailer is still making only 3 cents. So we cannot really blame the retailers for the high cost. The farmer is not making the big money on these commodities, but there is a very large mark-up before the product gets to the consumer and most of it is at the wholesale level. These are the things consumers will be looking at to see if there is any price increase: they will be considering the cost of food, the cost of energy and the increase in the cost of other commodities they have to buy no matter how poor they may be or how little they are getting.

After listening to the arguments I am shocked to find the Conservatives in the main are saying that the government must cut down on spending. What will the government cut down on? I suggest it will have to cut down on benefits to the low income people in this country. That is the segment of our economy that this government can most easily control, specifically in the way of minimum wage controls and assistance to our senior citizens and the disabled. In my opinion, this government will have to increase the income of these people to \$740 per month. The government is not prepared to do this. After listening to Conservative members, I think the government will have to reduce these social benefits. It will not be able to pay \$600 a month, never mind \$740, so these people will receive less than now. But prices will continue to rise.

In the next few months I believe we will see a consolidation of the feelings of those who work for salaries and wages in this country. They will become collectively opposed to government intervention, to government interaction and to government boards and organizations. This bill will act against these people and in favour of their enemies. Their enemies will be those who are exempted from the provisions of this measure.