

Anti-Inflation Act

[English]

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, this bill before us is an amendment to Bill C-73 which was introduced last fall to attempt to control the increase in prices and wages across the country. At that time I voted against second reading of Bill C-73, not only because it was bad legislation but because it was inflationary. This particular bill before us, Bill C-89, is simply amending bad legislation. Members of the government did not think in the fall that there had to be appeal procedures when you give such arbitrary power to a board, and that is what is now in these amendments.

What I want to drive home to the government, particularly to the Minister of Finance (Mr. Macdonald), who will carry the can for this particular legislation before the public in the next two or three years, is that this has turned out to be, as most people who talked about it for a while recognized last fall, a bill that was not only anti-labour in this country but was also against business. This is evidenced by the fact that in the small print at the end of the guidelines of last fall, there was a question about the export tax. When I asked the government when this was forthcoming, I was told it would be forthcoming before Christmas, and it was. But it did not last too long.

When business realized they were caught in the same sort of trap as labour was caught, and that it would not work and would not be fair, and labour recognized that they were in the same mess as business, labour and business got together. They went to see the provinces and forced the federal government out of the anti-inflation bill in so far as the export tax was concerned. That is what is going to happen to the whole bill. The bill, by the very nature of the human being, has to be unfair and unjust. Therefore you are going to find increasingly that the number of institutions and groups of people who are adversely affected are going to coalesce, like labour and business did with the provinces on the export tax, and throw this bill out. If they have to, they will throw the government out with it. That is to be the fate of this bill.

This is not a bill to fight inflation. This bill that we are debating and amending legislates inflation. That is why it is an evil that we all must fight. I was surprised indeed to hear the hon. member for Waterloo-Cambridge (Mr. Saltzman) speak in favour of this principle this afternoon. He noted that the labour movement and the NDP were not opposed to this type of legislation "as long as you made it fair and as long as you applied it to prices as well as to labour."

That is nothing else but the acceptance on the part of the hon. member for Waterloo-Cambridge of Galbraithian economics, which were an intellectual exercise 15 years ago but are passé today. The hon. member is not with it. He is apparently not aware that we have moved on from those intellectual half-truths of Galbraith and that Galbraith is known today as a humorist, not an economist.

Some hon. Members: Hear, hear!

Mr. Hamilton (Qu'Appelle-Moose Mountain): I am surprised indeed to see that intellectual of the NDP, the hon. member for Waterloo-Cambridge, endorse this pseudo-intellectualism passing under the name of Galbraith. I wondered about it until I read the *Globe and Mail*. There I

[Mr. Olivier.]

found quoted a story taken from the NDP paper, advising the left not to get tied up with support of controls across the board, but just selective controls.

The minister should listen carefully because he cannot stop this type of controls with just 1,500 companies. It has now been expanded to thousands of companies. Soon they will recognize they will have to go further and further and extend it to all companies and to all individuals. We will have a complete system of controls all across this country for every form of activity. Once you start on the slippery slope of restrictive legislation to try to control wages, profits, dividends, prices and all the rest, in order to make it work you have to keep on expanding your power. It is like playing Canute with the tides.

I simply point out that this is bad legislation because of the danger of trying to put a system of controls into a free market economy which has proved to be, even with all its faults, the most productive system yet devised. Therefore I say to the minister that he will have to bear the can when the roof falls in on this attempt by ordinary mortals who try to lay down a plan that will work.

On December 2 last, instead of just being critical of the government for its great conversion to a concept of price and wage controls, I tried to put forward the doctrine on third reading of Bill C-73 that there was an argument for controls for a very short period of time to check the psychology of expansion of prices and wages. However, I stated that the only hope to make that concept of a freeze by selective controls work was that since the psychological effects could only be applied for a short time, in that short time the government should use all its strength and efforts to get at the basic causes of inflation. These basic causes of inflation have been well defined over the past ten years.

There is no argument about it. The number one cause of inflation today in all our western countries is the cost of government. We heard a few examples of that type of cost from the hon. member for Cumberland-Colchester North (Mr. Coates). It is going to be pretty hard for the members of the government to go into their constituencies, where people are living on fixed and low incomes, and tell them it is necessary every time there is a change of ministers or high officials in the government to redecorate the joint, and put in new furniture to suit their personalities.

● (2100)

After incurring costs as high as \$10,000, \$20,000 even \$50,000 apiece to live the life they assume they ought to live as members of the present administration, they go around saying to the rest of us, "Tighten your belt, I may have a swimming pool in my yard but you can manage without". How are they going to explain these things to the people of New Brunswick, to those living in the rural areas of Quebec, on the eastern side of the Island of Montreal where some are living, or trying to live, on \$2,000 or \$3,000 a year? How can they explain why it is necessary to have the prestige of sitting on a \$2,000 sofa or a \$700 chair so that a minister can deal with his opposite number in dignity? It is going to be hard. The hon. member for Cumberland-Colchester North knows that ministers and senior civil servants must set an example.

At the present time 80 per cent of the cost of government at the federal level goes into programs over which the