

Anti-Inflation Act

The Economic Council had some harsh things to say about our free enterprise system. In its report on competition policy in 1969 the Economic Council of Canada said that in many areas of activity monopolistic tendencies have all but eliminated competitive market responses. The council also pointed out that in 1964 in more than one third of Canadian manufacturing industries as few as eight firms accounted for over 80 per cent of shipments in the industry. Oligopoly, or a market characterized by a few sellers rather than one or many, is probably the most common form of market structure in the Canadian economy, the report said. And they went on to say that many studies have proven that there exists, on the average a positive relationship between high levels of concentration and high profit levels.

The Economic Council of Canada pointed all this out, plus the fact that our economy was already more concentrated than the American economy and plus the fact that there tended to be a positive relationship between concentration in an industry and foreign domination of that industry.

The government's reaction to all this, to pressures even the former minister of consumer and corporate affairs seems to feel are inflationary, was to do nothing. Instead it decided the Canadian people should bear the full brunt of inflation. Instead it piddled around for nine years while concentrated industries made fatter and fatter profits and then, finally this year, it presented a piece of legislation which had been nine years in the making, the Competition Bill, called C-2, which is useless to stop the monopolistic excesses of the large corporations.

It took nine years for that bill to see the House of Commons. As a matter of fact that is the same period of time for the gestation of an elephant and many, myself included, would consider that Bill C-2 is nothing but a white elephant. We are told that Phase II of the competition bill, which will come down some day, will deal with monopolies, takeovers, all sorts of interlocking directorships and so on. I understand that before this can happen the minister intends to present the bill again for discussion. I thought the friends of the government who had already got to go over the bill had said enough, but apparently they feel they have not. So, while nothing is being done about oligopolies and their contribution to inflation, we have Phase IV of the government's program, wage controls. I say wage controls because it is obvious that in many cases prices are already out of control. The controls are described in this way:

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

Almost everything about this bill is unacceptable to myself, my party and, I am sure, to the majority of the Canadian people. Wage controls, for example, are childish simple to use, and it is obvious the government is itching to use them. But ministers have designed a bill whereby they will not even find it necessary to dirty their hands by dealing directly with the unions. Instead they can simply order an employer not to go outside of the guidelines by paying wages that might have been negotiated. And we are sure it will break the heart of many of those 1,500 so called large employers to say, "Sorry boys,

[Mr. Rodriguez.]

but we cannot give you that wage increase because the government says we cannot give you any more than 10 per cent, and if we do we are liable to a fine, imprisonment, or both".

● (2030)

If the large employers will find it easy to tell their unions that, then how much easier will it be for the smaller, non-unionized firms to tell their employees they cannot give them an increase. I am sure the Prime Minister will get all the co-operation he wants from employers when it comes to voluntary restraints. They will refuse wage hikes under the smoke screen of patriotism. I am sure we will hear the word "patriotism" bandied about. It is patriotic not to give more than 10 per cent. That reminds me of the saying that patriotism is the last refuge of the scoundrel.

The government has repeatedly said that these controls are designed to help the little guy. The Minister of Finance said on television that if these controls are not followed "it is the people at the bottom of the scale who will be worse off". Yet what this legislation does is to maintain and increase the inequities that are already built into our society.

Lower wages in different parts of the country will be frozen at their present differentials. Perhaps most important, the people at the bottom end of the scale will be frozen at a position that has grown relatively worse over the last five years. In July of 1970, when the federal minimum wage was set at \$1.65, it represented 55 per cent of the hourly wage in the manufacturing industry. By July, 1975, the federal minimum wage was raised to \$2.60, but a level that then represented only 51 per cent of hourly manufacturing earnings.

In the five year period from July, 1970, to July, 1975, the federal minimum wage increased by 58 per cent, while during the same period, hourly earnings in manufacturing increased by 70 per cent. Now the federal government is suggesting a 10 per cent increase for these people. Even if they get this increase—and there is no reason to suspect that all of them will—they would only catch up to the position they enjoyed in 1970 in relation to the manufacturing industry.

In unionized companies labour will now face a double control. It seems to me that what has happened here is the introduction of another level in the collective bargaining process. When you have a group of workers who are organized, they negotiate with their employer under the collective bargaining laws of this country, and they either come to an agreement or they do not. They might order a strike, and then matters sort themselves out through the collective bargaining process. What we have done now is to introduce another level of bargaining for those who are in the collective situation.

Right now companies are saying to those who represent the unions in the bargaining process, "Go to the anti-inflation tribunal and get an approval beyond the 10 per cent". The union representatives go to the tribunal, which says to them, "We cannot deal with the hypothetical case. Make a mutual representation from the employer and the employees, and we will consider it". It seems to me that that is not the way the manufacturers are treated.