

*Anti-Inflation Act*

Conservative party had done an about-face on its attitude with regard to the question of controls. For some reason, he found that inappropriate. I do not like to use the metaphor, but it is a little like the pot calling the kettle black. What is fair for the goose is fair for the gander. The Liberals seem to have done an about-face on the question of controls. Therefore, it would have at least been courteous for the Minister of Finance to recognize the right of the official opposition to take a similar somersault in regard to its position.

In terms of the logic of the argument, I am inclined to agree with the Minister of Finance. I refer to the logic of his case against that of the Leader of the Opposition. I am not questioning the purpose or motives behind the motion presented, namely, motion No. 3. However, it seems that the whole case of the official opposition ought to be concerned with whether this program is acceptable. That is the fundamental question. Do we, or do we not, have a just approach to dealing with inflation, or an incomes policy? Instead, a rather spurious argument has been raised by the official opposition. They say that the longevity of the program is at question here.

I listened with care to the Leader of the Opposition. His entire speech was devoted to whether this program would be good for 18 months or should go beyond 18 months. He stated that a period of 18 months would make it acceptable, but beyond that time it would not be acceptable. Frankly, that type of logic escapes me and my party. Rather than seeing this bill as the official opposition does and as the Minister of Finance described it, namely, as constituting rough justice, the NDP sees it as one that constitutes no justice at all. From our point of view, that is fundamental to the question of whether we can accept the program for 18 months, 3 years or 30 years. The issue, surely, has to be faced. It has not been debated in parliament either by the official opposition or in the response of the Minister of Finance. The issue is whether the program we are being asked to accept for 18 months or beyond is fair and workable.

As we said on Thanksgiving Day after the meeting with the Prime Minister (Mr. Trudeau), and after having had a chance to look for some hours at the white paper, this program is, first of all, unfair and unworkable. Second, it fails to present a broad approach to the economic problems facing this country. From the point of view of the New Democratic Party, both these issues constitute reasons for voting against it.

I wish to deal, in passing, with the latter point, the lack of breadth or lack of scope of the economic policy. I refer the Minister of Finance and the House to an article by two York University economists that appeared in the business section of today's *Globe and Mail*. They pointed out—and we said this some weeks ago and last spring at the time of the budget—that there will be record levels of unemployment in this country. This article was not written by two socialists, but two orthodox, competent economists. They made forecasts in conjunction with an analysis of this program that the government has presented. They pointed out that it is a possibility that in 1976 there will be a rate of unemployment of 9.5 per cent. That is something that should cause chagrin to any Minister of Finance. It should cause concern to the official opposition.

We are debating the most comprehensive economic policy that any government has brought in since World War II. However, it is a policy that neglects in any detail to take a positive approach in dealing with unemployment and inflation. In terms of its implicit message and its restrictive approach to monetary and fiscal policy, it will positively contribute to unemployment. As I said on the day we first learned of the program, it is unfair and unworkable within its own terms, that is, in terms of dealing with inflation. It is unacceptable to the New Democratic Party because it wrongly restricts itself to dealing with inflation, totally ignoring the fact that within a year or so we are going to have the highest number of unemployed Canadians since the depression.

● (1710)

Our spokesmen in the committee played their full part. I was not there, but I read the reports. All the points we made on second reading, the effects of the bill on the poor and on the non-unionized workers, its unfairness in terms of permitting professionals to escape the controls, the loopholes which exist in the area of price control, the loopholes which exist in favour of multinational corporations, were raised by members of my party. I might add that the points raised by members of all parties in the committee met with totally unsatisfactory answers from the Minister of Finance. Every skeptical question we raised was answered in committee by Mr. Pepin or Madam Plumptre in a way which confirmed our worst apprehensions.

What we have in this proposal is a bill which will control salary and wage earnings but will not control prices at all. At the time it was announced, Mr. Pepin said it contained 111 loopholes. He did not use the word "loopholes"; he said there were 111 ways of getting round these proposals. What he did not say was that these loopholes were for the benefit of the banks, the food chains, industry and professional people. There are no loopholes for the average income earner. To our minds, this does not constitute rough justice; it constitutes no justice at all. Therefore, we cannot accept it even as an anti-inflation measure, lacking as it does an equitable approach.

I was dismayed to find that in the debate on second reading no minister made any real attempt to justify the program embodied in the bill before us. You will recall, Mr. Speaker, that in speeches made by the Prime Minister beginning about a year ago now, the right hon. gentleman was talking about the need for an approach which would deal with wage and salary increases. The then minister of finance and the then minister of industry, trade and commerce were taking a similar line. Wages, according to their argument, were the principal source of inflation in the economy.

We have not heard, either in committee or in the debate on second reading, any evidence to support that general claim. Indeed, any evidence which the general public has is on the other side of the argument. The Governor of the Bank of Canada, Mr. Bouey, said in a speech at Saskatoon that it was not the case that wage and salary increases had caused inflation. He pointed out that such increases had followed increases in the cost of living; they had not caused those increases. The moral is that one should deal with the more direct causes of inflation after which a fall-off in wage and salary demands could be expected; and