

which in turn would be required to refer the issue in question to the administrator. Subsequently any order issued by the administrator could be appealed to the Anti-Inflation Appeal Tribunal.

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): Under this amended procedure it would be possible for a disputed opinion of the Anti-Inflation Board to be referred to the administrator for his consideration without the necessity of actually increasing prices or incomes contrary to a board opinion. In that way, the party or parties involved could avoid the risk of being found by the administrator to have contravened the guidelines and subject to the possible consequences of such a decision.

A second important change in the system involves a significant broadening of the right of appeal. At present, only the party or parties specifically named in an order of the administrator have the right to launch an appeal. A similar right does not extend to those who may be directly affected by the order but not named in it. Under the revised system, those directly affected would be granted similar rights of appeal. This change has application, of course, in cases involving compensation where there are two parties to the issue. The legislation provides that an employee organization, for example a trade union or, in the case of unorganized workers, what is referred to as a "designated employee" chosen to represent workers who are not organized, may dispute opinions of the Anti-Inflation Board on compensation directly affecting their interests, requiring such issues to be referred to the administrator for his consideration. An employee organization or designated employee would also have the right to appeal an order of the administrator to the Anti-Inflation Appeal Tribunal and beyond, as now provided in the law. A similar right would be extended to employer organizations directly affected by guideline decisions.

Members will be familiar with many of the questions relating to the appeal process which I have been discussing which arose out of the case referred to the administrator involving an increase in compensation to employees of the Irving Pulp and Paper Co. Under this legislation, the way would be opened for an appeal to be launched against an order of the administrator by an employee group or a designated employee chosen to represent fellow workers who were formally associated in a group, and specifically to the collective bargaining unit in that particular company affected by the decision.

● (1620)

A third issue that arises relates to the question of increases in compensation in excess of the guidelines. Under present regulations, special factors may be taken into consideration; first, in the case of a group that operated under a compensation plan agreed to before January 1, 1974, which expired before October 14, 1975; second, in the case of a group which had not joined in a new compensation plan before that time in October; and third, where one group had a historical relationship with another group. The regulations provide that in such circumstances an increase in compensation in excess of the guidelines may be granted for—

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—such further amount that in the opinion of the Anti-Inflation Board is consistent with the objectives of the act.

It was always our intention that in the first instance the parties, and ultimately the administrator and the appeal tribunal, should be entitled to formulate their own judgment as to whether any increase in compensation beyond the guidelines was justifiable in such cases, and we propose to modify the regulations shortly to provide more certainty in that respect. An amending clause in this bill makes clear the power of the tribunal to consider whether increases in compensation in excess of the guidelines are consistent with the purposes of the act in the case of an appeal against any outstanding orders of the administrator.

In keeping with the intention which I indicated to the House previously, the legislation would also permit members of the Tax Review Board who, according to the terms of the act governing the board are allowed to discharge no other duties, to serve as members of the Anti-Inflation Appeal Tribunal, notwithstanding the restrictions contained in the act governing that board.

A further amendment exempts compensation in the Quebec construction industry from the federal guidelines, to give effect to the agreement under the anti-inflation program with the provincial government which was signed a week or so ago. That agreement provides for the Quebec government to exercise responsibility for the application of the compensation guidelines in that industry because of the unique system in force in that province, but no other, under which wage standards in construction are established by provincial decree following government discussions with employers and employees.

The bill proposes, in addition, to broaden the scope of the authority available to the administrator in issuing orders involving compensation and dividend cases. This would make it possible, for example, for the administrator to issue an order affecting both employers and employees in compensation cases, in contrast to the current situation in which he is limited to issuing an order involving only one or the other party.

As I indicated at the outset of my remarks, Mr. Speaker, I believe these amendments, together with the changes being made in the regulations, will significantly increase both the fairness and effectiveness of the anti-inflation program. If, as and when other modifications become necessary to deal with emerging difficulties or changing circumstances, we will be quite prepared to make these changes. As it is, considerable progress had been made in the implementation of this national effort to bring inflation under control. The administrative machinery at the national level is now in full operation. We have entered into agreements with seven provincial governments covering the application of the guidelines to the public sector in those provinces, and I would hope that agreements with the remaining provinces can be reached in the not too distant future. All of the provinces have established, or are in the process of establishing, restraints on rent increases.

Perhaps the most important development is the emergence of early signs that some significant progress is being made in slowing the cost-price spiral and, consequently, the rate of inflation. Over the past few months the rate of increase in wholesale and industrial selling prices has been