

*Anti-Inflation Act*

**Mr. Peters:** I never like to do that. When that happens, it produces all kinds of results.

Whether the anti-inflation legislation before us is successful will to a large extent depend on two major factors. The first is the ability of the average person to maintain his position with the increasing cost of living. Second will be the quality that will be established by those who have to participate.

In comparison to 20 years ago, the number of people supporting the government in making it possible to provide benefits to all Canadians through government assistance and direction is becoming less and less. The amount they have to pay is increasing proportionately with the demands that society is making.

One segment of our population is in the organized labour field, the salary field and allied fields. They pay the bulk of the income tax. There are two other segments that are dependent upon the government to a great extent for their ability to exist in relation to and in conjunction with that group that pays the taxes, those who are fully employed. These people are the poor of this nation. In many cases they work at the minimum wage.

We often hear complaints about those who are working and paying the largest share of taxes in this country. They are always accused of not pulling their load. But those who are fully employed often earn less than those receiving unemployment insurance. When the minimum wage across the country is less than that paid in unemployment insurance benefits, obviously some change must be made. This is one field the government will have to consider if the anti-inflation legislation is going to work.

The government has said that the minimum increase will be \$840 and the maximum \$2,400. Those receiving the minimum wage will not receive the \$840. They will need it, but they will not get it. Controls are being put on those who previously made it possible to pay for the cost of living increases made necessary by inflation. We are now curtailing that by saying they cannot work.

My colleagues have to a large extent documented the ways and means to escape for the top segment of our economy, the corporations, persons in industry, and others who will not be subject to the controls. They will be able to cook the books and will not really be penalized in any way by this legislation. I feel sorry for some of them. I understand that last year International Nickel paid less income tax than I did. They have a multi-billion dollar enterprise so it is stretching a point to think that they can be hurt.

● (2110)

One large segment of our economy is closed down 60 per cent in a strike which they precipitated. Sixty per cent of the pulp and paper industry is closed, but there is a year's supply of pulp sitting in yards in Canada because the price went down and the companies decided to hold out. They did not need their workers so they did not negotiate with them. In answer to a question today the Minister of Industry, Trade and Commerce (Mr. Jamieson) indicated that this is one of the factors that has had a secondary effect on the unemployment level in the forest industry which is not directly related to the problem.

[Mr. Nystrom.]

We are not doing anything about the bottom level. We are not raising it to the minimum that we said would be allowed, because we really do not control that. We would have to get an agreement with the provinces in order to do that, and I understand there is very little agreement with them on the anti-inflation legislation. We are not doing anything about the top either—all we have done anything about is the middle.

In the last few years organized labour has been able to play a role quite successfully in the so-called free enterprise system. People in organized labour have been able to maintain their position, and have received a COLA clause in many cases. There is no doubt that this has cost money, but they have been able to maintain their standard of living despite the fact that food costs, energy, rent and housing have gone up rapidly. Now they are told they will not be able to get a raise beyond the guidelines of 8 per cent and 2 per cent, and that is below the cost of living increase last year. Their COLA clauses will give them that much. I guess we are saying that they are no longer going to have the money to pay the taxes, so there is going to be increased unemployment.

The government has done absolutely nothing about getting into the tax structure at the top level, where companies are not making any contribution to our economy and, without a doubt, are the biggest welfare bums the world has ever known. We noticed this last night in a statement submitted by the oil companies on their expectations and what they would need if they were going to participate in the development of new oil reserves. They indicated their profit structure on their gross had to be 8 per cent to 20 per cent to allow them enough profit to convince their shareholders that they should plough some of the money back into exploration. We are not doing anything to get that kind of money out of the top structure in the nation, nor are we doing anything to provide equality in our structure, which is what this party has always been in favour of, Madam Speaker.

One of my colleagues has presented an amusing amendment asking for a reduction in the government's proposition of 50 opposition members being required to ask for a review during the months of April, May or June in 1977. He proposed the number should be reduced to 20. I find this amusing because this party does not have 20 members. If we were going to do it on the basis of simple politics it would be logical to reduce it to 15 or 10. But we are a very broadminded and generous party, Madam Speaker. The motion says 20, and I hope members will see fit to support that rather than the 50. I will vote against it anyway even if the change is made, Madam Speaker. I will vote against the bill, so it is really of no consequence.

But the review might serve some purpose and it behooves the minister to provide for that review in 1977, without these games. By then the government will either be able to curtail labour costs to a point where it will have balanced the cost of living on the backs of the organized workers, or it will have caused so much unemployment that we will be embarked on a totally different operation. I think if the minister made an effort to provide this mechanism he would probably get more kudos than he would out of offering it to the official opposition or, if the amendment were carried, offering it to 20 members of the House.