

*Anti-Inflation Act*

And what about those who are to escape the provisions of this legislation, those whose increased earnings come from so-called increased productivity, the doctors who see more patients in less time, the architects who design a greater number of office buildings, and other professionals. They will be able to claim their productivity has increased and evade this legislation; but they contribute to inflation. Those with incomes as large as we earn as members, and larger, are imbued with inflation psychology. Such people take more from the economy than they put into it.

Do members of the official opposition think for a moment that people on minimum wages, on pensions, and on fixed incomes are taking more from the economy than they put in? If they think so, let them work a few days for the minimum wage and see how they feel.

Further, we feel we cannot support the amendment of the Leader of the Opposition as we do not think prices and incomes legislation can effectively combat inflation by itself. You cannot do it in isolation from other things. By itself such legislation will not work, as you must consider all the other factors contributing to inflation. A program of income and price controls should be an essential part of an over-all economic plan. You cannot have one without the other, as the song says. If you are to control or restrain prices you must, it seems to me, control production. In other words, you need mandatory production controls, as C. D. Howe realized during World War II. He knew that without adequate production controls some companies would hold production back for better prices. Therefore we need measures to control production.

I suggest that the proposed regulations for controlling prices will, in many areas, be ineffective. How will they work in transportation? In short, we must arrive at a consensus or, in the words of Harold Wilson, a social contract which includes all segments of society, workers, businessmen, farmers, consumers, and federal, provincial, and municipal governments. We must arrive at a consensus. There must be an overwhelming desire on the part of the majority of the population to be involved in the program. That is not the case at present. This consensus is not an element in this legislation.

There is a third reason for our not supporting the amendment. Although I am not an economist or expert it seems to me that deadlines have their limitations, as the shorter the period to the deadline the greater is the likelihood that those who can afford to wait for the expiration of the program will do just that, sit back and wait for it to end. The Minister of Finance mentioned the experience in Britain and the United States where there was an explosion of price increases immediately after the expiration of price and income control programs.

**An hon. Member:** Both countries were under Conservative governments.

**Mr. Benjamin:** Those governments were headed by Mr. Heath and Mr. Nixon, both Conservatives as the hon. member says. Those governments served notice on those whose prices and incomes were to be controlled. Those who could afford to, sat back and waited for the controls to end. I suggest to the Leader of the Opposition, with all respect, that his 18-month proposal would suit ideally every major corporation which could adjust its production and inven-

[Mr. Benjamin.]

tory and wait for the arrival of April 30, 1977, after which there would be a price explosion. But the ordinary person cannot do that, if the experience of the United Kingdom and United States is any guide.

It seems to me that a lesser evil would be no deadline at all. Why should not the government be required to come to parliament every 12 or 18 months with a report, which parliament could debate? If the government were to feel at any time it no longer needs the program, it could say to parliament, "We want to repeal part or all of the program." There would be no need for any deadline. Then those who want to evade the controls, particularly on profits, professional fees, interest income, and so on, would not know how long they must wait before exploding upward their prices or profits. It seems to me for that reason that the Conservatives' amendment to reduce the period to 18 months will merely increase the likelihood of evasion.

Let me refer to something that happened not long ago to show why this program is misconceived and why the fight against inflation cannot be isolated to one program. Last week the "Big Six" met in France, and Canada cried like a child refused an invitation to a birthday party because our government was not invited to attend. I am glad it was not invited because, judging from the attitude of our government, it would have contributed nothing to that conference. One of the main items discussed at the conference was the fight against unemployment. It was held that the industrialized nations of the western world should put a higher priority on the fight against unemployment than on the fight against inflation.

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Since the government has no program to fight unemployment with an equal priority to inflation, its representatives would have had no contribution to make had they been invited to sit in with the "Big Six". Instead of being one of the "Big Six," they would have been the little seventh. That is all they could have done. They would have had something to say about inflation, but nothing about unemployment.

The concern has to be more about recession, unemployment, and other ancillary problems such as housing, as much and more as it is about inflation. From what I have been reading the last few weeks I understand that the trend around the world, without this phony program of the government, is deflationary. The problem that we had a few months ago is not as severe now, and will not be as severe in the coming months.

I want to say a few words about what the spokesmen for the Anti-Inflation Board and the government have been saying with regard to marketing boards. I remind the members of the official opposition of the position they took and with which we agreed, the protection of the primary producer at the farm gate and of the fishermen at the dock. I ask hon. members in the official opposition whether they do not find it passing strange that, at the very first press conference of Mr. Pepin and Mrs. Plumptre, of all the areas of the economy there are to be looked at with regard to inflation, such as financial institutions, professional fees, wages and salaries, and so on, the one they chose to zero in on and attack was marketing boards.