

Anti-Inflation Act

negotiations, 20,000 are then placed at a disadvantage. Teachers share a concern for inflation and will assist in the development of a program which would be fair and equitable to all in our society.

This is another illustration of how this legislation has been hastily and ill-conceived. Unless there are modifications to it and allowances made for historical relationships, it will not only promote bad feeling among different working groups, such as elementary and secondary school teachers, but will in fact promote injustice and unequal wage settlements.

Teachers in Ontario find their negotiating position has been further complicated by provincial legislation, Bill 100, which places certain time limits on negotiations. Many may be forced into a strike position without a concrete wage offer because this federal legislation conflicts with existing provincial legislation that the teachers accepted in good faith.

The members of the New Democratic Party are against this program. We have argued in the past, as we argue now, for selective price controls on key sectors of our economy, such as energy and certain manufacturing industries. We want tax cuts for people of low income in order to help stimulate employment and give them a break against inflation. We want to build more houses through a massive housing program which will provide adequate shelter for Canadians and get them back to work. In order to do that we must control mortgage rates.

In conclusion, we view this program as a failure even before it is implemented. It is a program that will not get at the root causes of inflation. The price control measures in it are ineffective. What will happen is that inflation will be fought on the backs of workers through effective wage controls. We say the program is unfair, unworkable, and does not deserve support.

● (2100)

[Translation]

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, the House is asked to consider Bill C-73 entitled: An Act to provide for the restraint of profit margins, prices, dividends and compensation in Canada. On second reading of the bill and on the motion to refer it to the Standing Committee on Finance, Trade and Economic Affairs, I wish to take part in the debate due to the importance of this legislation and its serious unavoidable implications.

I have been sitting in this House for a few years and I also have some experience in the business world. Having heard the Prime Minister (Mr. Trudeau) speak on our national television network on Monday October 13 last, and after having examined Bill C-73, I must conclude that an experienced political observer soon realizes the instability of Canadian economic conditions and the serious course our country is taking by implementing such a policy.

Far away from me the intention of dramatizing the situation or of playing the alarmist by accusing everyone and making of them the scapegoats responsible for all the sins of the world and for all our problems. On the contrary, I want to make an objective criticism of the legislation while emphasizing the mistakes that may have been made. The recommendations that seem logical to me and the safeguards that I consider important, I will point out to the government.

[Mr. Symes.]

I would say at the outset that the government did not have any alternative. It had to do something. It could not let the economy follow any longer the course of events without risking irreparable injury.

Besides, I had already cautioned the former Minister of Finance about that and, I say it again, the present Minister of Finance. It is no longer possible for the government to sit back and wait for the problems to solve themselves one way or another.

Madam Speaker, the government has to realize several things and act accordingly. Even though the proposed measures may be questionable—

I hope that at least the government is now determined to lead the way in the administration of the country and to take preventive measures, if it is still possible, instead of letting problems get out of control and finally, too late, bringing in solutions that lose some of their effectiveness because they are out of date by the time they are introduced.

In fact, it is mostly through its inaction that the government itself has produced this anticipation psychology making businesses proceed with maximum price hikes in anticipation of maximum wage raises and, on the other hand, workers demand the highest possible raises to protect themselves against price rises. It is the start of a vicious circle, that inevitably feeds the inflation spiral.

In other words, motivated by fear and the wish to take precautions, everybody is asking for more and more, while national productivity lags behind. Therefore, this simply could not last. And whether one is in favour or against the bill, one must at least recognize the merit of the government which is trying to do something to correct a situation which, admittedly, is not easy, and for which remedies are not quite so readily available as some may claim.

Mr. Speaker, history repeats itself. The 10 per cent inflation ceiling which is being applied as a means to control inflation is somewhat similar to what was applied in the United States 4 years ago, namely from December 1971 to January 1973. This is a sort of delayed escalation; in other words wages are allowed to increase at a rate inferior to that of inflation, even if they must be readjusted in case the rate of inflation increases too rapidly. A possible wage increase of 8 per cent, plus 2 per cent to keep up with productivity, is allowed, while the inflation rate is estimated at more than 11 per cent.

Even if circumstances have changed since then and if the economic situation is not what it was in 1971, it must be pointed out that after implementing a similar program for one year, the United States have succeeded in lowering their inflation rate by 2 per cent. If Canada could achieve comparable results within a year, which would reduce our inflation rate to 9 per cent, we could say that these measures have been successful in a first stage. What can be said against those measures is that they are negative in the sense that they do not cure the economy by stimulating it, but rather seek to make it hold longer. In other words, the patient is not cured, but an attempt is made to make his hospital bed more comfortable.

In that sense, what cannot be accepted is the fact that it does not solve the problem of the low-and average-income citizen. On the contrary: the gap between them and the