

*Anti-Inflation Act*

will do anything about increase in price, which may be as much as 400 or 500 per cent. They may or may not take a look at the situation. What they are likely to do is look at the profit of the store, and if a can of beans has gone up by 80 cents in a Safeway's store in Sault Ste. Marie, eight or nine months later the board will look at the profits of Safeway or of the people running the store.

One thing the board will not do is look at the unit price of the cost of production of a can of beans. The profit it makes on a can of beans might make up for the loss sustained on a bad investment or because the store has not increased the price of some other commodity by the same rate. These situations can occur when price control legislation is based on profit control at the end of the year. The price of any commodity can skyrocket without the anti-inflation board even taking a look at it.

**Mr. Symes:** How would they compensate people anyway?

**Mr. Nystrom:** As the hon. member for Sault Ste. Marie says, even if they did take a look at the price of a can of beans, how would they compensate the consumer? Do they give old Aunt Fanny the difference between the price of a can of beans this week compared with the price last week? These are questions that remain unanswered which the government is not prepared to examine in a serious way.

Another thing about the bill that concerns me is the general feeling on the part of the government that there should be a cutback or restraint in government expenditure. I agree with all hon. members that there is government waste, that there are extensive expenditures. But when you cut back on government expenditures, Mr. Speaker, you must be very careful to cut back on programs or eliminate programs that will not hurt the ordinary people of this country. We must make sure that the federal contribution to health in Canada is not decreased but increased, so that there are uniform health services and distribution of costs in all parts of the country, regardless of the economic wealth of the province concerned.

We must also make sure that, instead of cutting back on old age pensions and unemployment insurance, these programs have adequate money so that Canadians who are out of work or retired have an adequate income on which to live. Transfer payments to the poorer provinces must be adequate so that their programs keep stride with those of the wealthier provinces such as British Columbia, Ontario and Alberta. Educational programs must not be cut back. All of these are programs regarding which the government should contemplate no restraint.

There is needless expenditure—for example, the opening of Mirabel airport, the champagne, the caviar. There was a lot of wasted money there. Talk of restraint a few days after that extravaganza cannot be taken seriously by Canadians. We can cut out waste by eliminating such organizations as Information Canada. We should eliminate the other place. I see no reason in the world why we should have a Senate. It is not elected, it is undemocratic. It is made up in many cases of barons from the corporate boardrooms who lobby the various government departments and officials on behalf of their corporations, and who are living on a large guaranteed annual income that increases each and every year.

[Mr. Nystrom.]

These are steps that could be taken to eliminate waste in this country, but no action from the government is forthcoming. I suggest that instead of being concerned only with inflation, which we all realize is a big problem, the minister must at the same time be concerned with unemployment, housing, and the recession in the economy. I would also remind him of the statement made by the Governor of the Bank of Canada, and by many trade union people, that wage demands always follow large price increases.

If we are to bring down inflation levels we must first stop price increases. Our party has suggested many times that the way to do this is to have a prices control board to which companies must apply before any price increase can be authorized. There should be selective controls over basic commodities which are produced in Canada. We control oil prices, but this control should be extended to commodities like iron, lead, zinc, and others that we produce.

I also suggest that we should have controls on interest rates and on the financial community. If we do not control interest rates and the financial community, how in the world can we be serious about controlling inflation? We should be bringing down mortgage rates and pouring hundreds of millions more dollars into housing in all parts of Canada. This would not only expand the economy but would tend to bring down the price of housing because of increased supply. These are steps that should be taken. No reference to them is made in the bill, or in the white paper, or in the speech that the Prime Minister made on television last Monday evening.

Government must also concern itself about the high rate of unemployment in Canada. The rate is now 7.2 per cent. Having regard to the statements made by the former minister of finance and by the Prime Minister a few months ago, one of the consequences of this particular program might be an increase in the unemployment rate. If we are going to lessen and limit the spending power of ordinary citizens, the little people, then naturally they will be unable to purchase as much as they did previously, and this could lead to an increase in unemployment.

These are matters that concern me, as a member of the House, about this anti-inflation package that is before us today. I want to tell the government that I believe that Canadians are skeptical about it. I believe that many politicians have over-emphasized or misjudged what we think is a cry for comprehensive price and wage controls in Canada. A few days ago the CBC released the results of a poll which showed that only 38.4 per cent of the Canadian public really favour price and wage controls at the present time, and I suspect that that is true.

● (1510)

In conclusion, unless major changes are made in the bill that will increase its equity and fairness in respect of low income people, unless amendments are moved and accepted, and unless many of the questions that have been raised by members of our party and the Conservative party are answered within the next few days, then the best advice the Canadian people can take is that they should not co-operate with this effort because it is going to be unfair and unworkable, and will penalize them and put the full burden squarely on the shoulders of the working people.