

*Anti-Inflation Act*

these discussions in due course, but the question of the minimum wages is one that has been covered during the last 24 hours at the federal-provincial meeting.

In addition to that, as I have said to the Leader of the New Democratic Party, under the old age security plan, the guaranteed income supplement, the Canada Assistance Plan, and now under the new and more recent provisions of the Unemployment Insurance Act we have provided for other groups in our community that are not in a position through economic power or through collective bargaining to take care of themselves.

After all of these speeches in this debate are in, however, the basic problem will still remain, and that is the one with which I started off the debate, namely that if those with economic power can obtain higher and higher levels of compensation, then there are two inevitable results. In the first place, given that the quantity of additional resources in Canada is finite, there will be less and less available for those who are without economic power. Secondly, higher returns for those in a position of economic power, whether you talk about doctors or lawyers, corporate executives or public servants, steel workers or auto workers, landlords or corporations—those increases have to be paid for by somebody in the community. They are in fact paid for by everybody. They become a net cost increase for all of us in the community. When that occurs and they become a net cost increase, they therefore, in part at least, become the responsibility of those at the bottom of the income scale, among others, to have to pay.

It seems to me that those basic facts are ones that we as a nation have to come to terms with in this proposal. As I said in opening, we are not going to join in the argument about whether or not the wage increases and catch up increases of the past are responsible for inflation. We are insisting, however, that if all major groups with power insist on big increases, or on leap frogging ahead for the future, in the long run there will be a net cost for all of us to pay which will have to be passed on, and in due course it will be borne by the economy and will result in another inflationary increase.

During the course of the federal-provincial conference a number of problem areas arose, and I will refer briefly to them. Reference was made this afternoon to rents. May I say in fairness to the provincial treasurer of Ontario that he was not averse to taking early action on rents. However, he did accede to representations made by other provinces that the provinces as a whole should proceed together on the basis of national criteria. The fear, of course, was that if there are different regimes from province to province, this could have an adverse comparative effect with regard to investment in new accommodation. In fairness to Mr. McKeough, he was not the dilatory person in this particular discussion. I think it can be said that no one was. But there was a basic problem of trying to get some national standards followed by each of the provincial governments in carrying forward this part of the price control program which will be carried out under provincial jurisdiction.

The second point that was difficult and which has been much raised in this debate, for example by the hon. member for New Westminster (Mr. Leggatt) last night, is

[Mr. Macdonald (Rosedale).]

that of professional income. This is one of the most difficult of the questions that were raised. I do not think that anyone would claim that those of professional income who, relatively speaking in terms of numbers, are not a substantial percentage of the work force, are alone responsible for dramatic increases in incomes. Rather there is the comparative problem that if they do not seem to be covered by this program then the program looks unfair. It would want that quality of equity in which all appear to share in restraint.

In this discussion we recognized a lot of the frailties put forward by the hon. member. I think, without coming to any final conclusion on this, that there was a recognition yesterday that possibly there would have to be in the first place, between the federal and provincial governments—particularly with the provincial government participation since the concept of a self-governing profession is established under provincial law—some agreement on appropriate fee schedules, and possibly, to reinforce this question and the equity of the matter, a surtax might have to be considered and perhaps imposed at the federal level.

With regard to the medical profession—not the profession of the hon. member for New Westminster or my own—we recognized that in some ways we would be working against some of our other objectives in public policy if we were too restrictive in terms of what we did. If we said that there would be limits on income from the existing level of effort but that for additional hours put in, or additional patients seen, there could be a further increment, we would run into financial problems, to say nothing of a health and safety problem with a practitioner who sees half as many patients again as he saw last year, which would likely mean he would not do as good a job for his patients as he should.

**Mr. Broadbent:** In case of lawyers it would be good if they stopped working.

**Mr. Macdonald (Rosedale):** Additional work for lawyers would seem to suggest that there would be a rampant crime wave in this country, but I will be objective enough not to wish that upon the country in the interests of my own profession.

The third element that was much discussed in this debate, one that has been discussed in the Liberal caucus and was very effectively referred to by the hon. member for Maisonneuve-Rosemont (Mr. Joyal), the hon. member for Davenport (Mr. Caccia), and the hon. member for Fort William (Mr. McRae), is the appropriate maximum level for those at the lower end of the income scale, the \$600 limit. It appears both from the federal-provincial meetings and from the debate here that there is some consensus that the \$600 limit is not appropriate. What is lacking, however, is consensus on an appropriate alternative method. On behalf of the government obviously I will have to pursue this question with my colleague to see whether we can find some satisfaction in this respect, particularly in light of minimum wage discussions.

As for prices, it has been asserted long and repeatedly that there is no way that prices can be effectively monitored and controlled.

**Mr. Broadbent:** Or accurately controlled.