

*Anti-Inflation Act*

ing some of the imbalances we had experienced at that time in the economy. One can reasonably say, Mr. Speaker, that the government could have reasoned, because we had laid out our program reasonably and succinctly, that the government won the election as a result of it.

Here it is 1978 and the minister is travelling throughout the country stating that the government is going to take this burden away from the shoulders of the citizens and is going to get rid of this program. The program was never designed to cure inflation but rather to break the inflationary psychology and to regulate some of the imbalances. One can say that the Liberals did not like the program in 1974. They do not like it now and they are starting to phase it out on April 14 of this year. What went on in between, that is something that the Minister of Finance and the government hope Canadians will forget. What happened in between should have no bearing on the stories the Liberals will be telling in the next election campaign with respect to regulating the economy through wage and price controls.

The problem that legislators have ignored and have forgotten is to consider that when the program was first conceived, even then and for the last ten or 15 years, significant changes have gone on, and our whole society is undergoing significant changes in its social structure. The anti-inflation program has contributed to these changes and, so to speak, has accelerated the changes. I am talking about the changes which will see the shift of the social structure, that segment of our society which once occupied the middle class,—the small entrepreneurs, small- and medium-sized businessmen,—which is now being replaced by the professional manager, the public servant and by the bureaucrat. The corporate manager now decides the direction in which our economy moves. And that most important sector of our economy, namely, the small business sector, and indeed those people who work for the small and medium business sector, are relegated to a minor position in our future social structure.

For a moment I would like to speak about this important sector in our economy, and particularly the two thirds of Canada's work force which does not have access to union power, which is not organized. Let me put it in context with this new corporate manager, with this economist and social engineer who only know the flow chart and know how to deal with the economy in percentages and with charts that have been designed in universities.

Let us look at how this program has affected and how it has widened the gap between organized and unorganized labour; how it has widened the gap between the small businessman and that sector of our economy which is organized in a monopoly or an oligopoly situation. Because the increases were all based on percentages the effect was that organized labour, or the bureaucrat or the professional manager earning \$18,000 a year, with an 8 per cent increase was allowed an increase of \$1,400, whereas the worker who works in a service industry or small business who may still be making \$8,000 had to put up with \$640, and that is not even a drastic example. The fact is that all of these people have to buy their bread, their necessi-

[Mr. Oberle.]

ties of life, in the same store, and the economists had completely overlooked that controls, based purely on the percentage increase, had a much different impact on one sector of the economy than it did on another.

Now, Mr. Speaker, as I have said, the reason the government had to amend the law so frequently is that it was so ill-conceived in the first place. Just for the record, and it will be repeated many times in the next few months particularly as we go into the election, I would like to look back to 1974 and make a comparison with the system that was proposed by the Progressive Conservative party in the election campaign. For one thing we have never professed that an anti-inflation program or mandatory controls would be a cure for inflation. What we had set out to do was to break the inflationary psychology and to allow ourselves a period of adjustment, during which some of the imbalances and the great gaps in the system, to which I have made reference, could be corrected. As my hon. colleagues will recall in order to do that we needed a 90-day period, during which everyone would be equal.

I for one had no problem selling that kind of a scheme to reasonable Canadians. There were imbalances in the system as there are now. But if we could assure our constituents for 90 days that the price of a loaf of bread and of a quart of milk would not increase, their contribution to that kind of an approach would be that for 90 days they could not ask for an increase in salary or benefits that they were receiving from their employers. If every reasonable Canadian, in light of the difficulties we experienced then and which we are still experiencing now, managed to live with that approach, then there would have been a period of adjustment for 18 months. Having used the 90 days to arrange the holy trinity of the economy, big government, big business and big labour to work out an agreement over an 18 month period, the necessary adjustments could be made allowing two-thirds of the work force who were left hopelessly behind to catch up to some extent with that section of the labour force that had made the excessive gains. And the same of course would be the case in the business sector, allowing the small businessman to pass through some of the costs which he had to face as a result of commodity exchanges, some of them from other sources.

The partners in the holy trinity wanted no part of that, at least not the corporations; nor did the unions. As you will recall, the unions threatened us outright that there would be a national strike if the Conservatives were elected, and that kind of a program brought in. Of course the Liberals played into their hands saying that they were right, there was no need for those kinds of controls; no need for any controls. The question was not one of regulating the economy with fiscal monetary tools, but the question was one of leadership; and the question was decided. We have yet to figure out where this great Messiah is leading us because on this issue he and the government have failed miserably.

● (1532)

It is difficult to speak on the anti-inflation program without looking at some of the root causes of inflation, particularly in