

words, the federal government has played right into the hands of the companies.

Canadian workers in the pulp and paper industry were led to believe that the 10 per cent wage increase limit would be flexible to take into account historical relationships and this, of course, exists with the paper workers and the woodlands workers. They were also led to believe that under the guidelines they would be liable to special consideration for contracts which expired before 1974 and for which negotiations were under way.

The CPU, the paper workers, fall under those exemptions. However, the Anti-Inflation Board's decisions in turning down tentative wage agreements of the Toronto secondary school teachers, inside postal workers, and now paper workers prove that special exemptions and consideration clauses are a sham. We have an unfair wage control program in effect in this country.

The cabinet exempted postal workers in their settlement. How can it not now exempt the paper workers? However, I fear that it will not, knowing the anti-labour bias of the government. It will in effect destroy collective bargaining in Canada and promote labour strife in the months ahead.

How can the government expect paper workers to work for less than woodworkers with whom they have had a traditional wage relationship? How can the government expect the CPU to accept now a limit of a 10 per cent wage increase, which is less than what the companies would have been prepared to offer all along? How can the union bargain effectively when companies are regulated by provincial law, and now the provinces are passing the buck to the federal Anti-Inflation Board?

The companies are hiding behind the Anti-Inflation Board, waiting for a decision and not bothering to bargain in good faith. The Minister of Labour says he cannot get involved because of provincial jurisdiction, but in the past we have seen appeals on the part of the postal workers to the federal cabinet. I wonder whether the federal Minister of Labour will now argue in support of the union with regard to the exemption of wage guidelines.

The Liberal government, as a result of the wage guidelines and the decision of the Anti-Inflation Board, has certainly shown itself to be on the side of the companies. It is now controlling wages, after letting the companies' prices and profits rise unhindered over the past two years. I ask the Minister of Labour again tonight: will he intercede in the cabinet when the unions appeal for an exemption from the effects of these anti-inflation guidelines to settle this long and unnecessary strike?

[Translation]

Mr. Fernand E. Leblanc (Parliamentary Secretary to Minister of Labour): Mr. Speaker, as the hon. member for Sault-Sainte-Marie (Mr. Symes) has said, the pulp and paper industry falls within the provincial jurisdiction as regards industrial relations.

[English]

However, the federal government, and in particular the Minister of Labour (Mr. Munro), have expressed great concern over a number of occasions over the large number of workers who are out of work. The Minister has urged the parties to return to the bargaining table and complete their collective agreements as soon as possible.

Adjournment Debate

Where monetary settlements are reached at levels above the eight plus two formula of the anti-inflation program, the parties realize that their settlements would be subject to review by the Anti-Inflation Board. Both union and industry representatives appear to have been hesitating about returning to the bargaining table until the Anti-Inflation Board was in a position to give an opinion on the recent settlement between the Canadian Paper Workers Union and Irving Pulp and Paper at Saint John, New Brunswick.

The opinion of the Board has been released today, and it says, contrary to what the hon. member was telling us, that the Board had concluded that it can accept a first year increase up to 14 per cent in the total compensation of the employees at Irving Pulp and Paper Limited. This is about four percentage points above the arithmetical formula applicable to them. Accordingly, the Anti-Inflation Board has requested the parties to modify their agreement so as to give effect to this decision. The Anti-Inflation Board has also informed the parties that it will wish to review the second year of the settlement when agreements in other mills have been concluded.

Meanwhile a settlement between Domtar and the Chemical Workers has been completed in the corrugated container plant dispute in Montreal, and negotiations resumed between the paper workers and Ontario Paper at St. Catharines. Negotiations between Domtar and the Canadian Paper Workers at Cornwall have also resumed but no progress has been reported.

[Translation]

The position of our department is very clear and very positive, Mr. Speaker.

The parties must return to the negotiation table as soon as possible and negotiate in good faith to allow work to resume in that vital industry.

[English]

Industry representatives are concerned about the economic situation of the industry and the fact that a major settlement has been completed in the industry in the United States calling for a 10 per cent increase in wages. The industry in Canada claims that the Canadian industry must close the gap in wages between Canada and the United States in the current round of negotiations. At present, according to the industry, Canadian wage rates are about 15 per cent higher than comparable wage rates in the United States paper industry.

PUBLISHING—POSSIBILITY OF ACTION TO PROTECT CANADIAN SHAREHOLDERS IN "READER'S DIGEST"

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, it was an ominous sight this evening to see the Prime Minister of Canada (Mr. Trudeau) eating crow on television, and to find the government reversing its policies in this House when only 18 months ago he was saying during the election campaign, "Don't be obsessed with inflation, we are rich."

● (2220)

I thank you, Sir, for the privilege of being granted tonight the right to speak on behalf of a group of forgotten