

Anti-Inflation Program

exempt from this kind of argument where we are told something is not in the bill when it is, as is indicated by the proceedings before the standing committee.

At the end of his remarks, the hon. member for Oshawa-Whitby took exception to the fact that if firms or individuals are successful in improving their productivity, these flexible guidelines make it possible for them to enjoy the benefits. From the standpoint of the Canadian economy as a whole, I cannot imagine any advantage in a system which fails to reward productivity. The improved productivity of individuals or groups of workers or firms which therefore improve the resource base for us all, is obviously in our interest. Amongst other things, it enables us better to look after those at the lower end of the income scale who are not in a position to improve their productivity.

The leader of the New Democratic Party also referred to the exemption for reinvestment as an exemption that would enable firms to go ahead and increase their prices. I think I persuaded him in private, and I hope I can persuade him in public, that the exemption he is referring to is with respect to the possibility of reinvesting those funds arising from export profits which have been taken from exporting firms by way of specific levy and held in public account, and will be repayable to the firms upon their establishing to our satisfaction that the funds are to be reinvested in productive enterprises in Canada. It is not true that a firm will be entitled to put up prices to domestic and foreign customers because it seeks to invest in export industries.

I should like to go back to some of the basic principles which I had occasion to set out in earlier debates on this question. We know that the administration of this kind of program, indeed of any kind of control program, on an economy and a system of society as complex as ours is not going to be easy. We would acknowledge, and I have been happy to quote the term used by the leader of the opposition, that inevitably a system of this kind which strives to set fixed standards on various groups of people is going to account for some rough injustice, if you like, or at least will achieve only rough justice between various groups.

We believe that a large number of Canadian people think it is important at this time that we all restrain the demands on our available resources; that Canadians generally accept the fact that the rate of inflation we have known resulting from real costs coming into Canada, and also the self-generated ones, are costs that we cannot continue to impose upon ourselves. We have to take action to restrain the rate of inflation at this time, and I believe, and I think my colleagues have found, that there is a broad measure of support for this particular program in the country.

There is no doubt about the fact that one of the difficult areas is pricing. It is perfectly true that, while the wage settlements coming forward, which in our country on an annual basis are numbered in the hundreds or thousands, may effectively be scrutinized and controlled in advance, the many retail transactions occurring in Canada, numbering in the hundreds of millions, cannot effectively be scrutinized. We acknowledge that. In many cases, at the retail level it will be difficult to put advance controls on pricing, but we insist that we can exercise effective control over certain commodities and require advance notice of price increases. Over the retail sector as a whole, we can

put on effective controls with regard to the mark-up across a whole range of commodities that turn up in the food basket.

In talking about the control of corporate profits—and that in itself is an effective control on the price of things that some groups of Canadians have to buy—I can refer to the decision of the Canadian Transport Commission on Monday, November 3, 1975, with respect to the British Columbia Telephone Company. This is evidence of the fact that the cost of services to Canadians can be effectively controlled. The decision of the CTC, specifically founded upon the government's guidelines, reduced by 28 per cent the amount which, but for the guidelines, the CTC would have given that company on its rate application and, going into the executive suite, it reduced by \$1.5 million the amount of compensation the senior officials and managers of that company could have expected. We think that what happened with the British Columbia Telephone Company will happen again and again in the months to come. We acknowledge that there will be difficulties with individual prices in the supermarket but we think the program can be effective in reducing prices in Canada, and over time will be seen to be effective in doing so.

My colleagues will be participating in this debate, Mr. Speaker. In the course of the next three weeks the committee discussion of Bill C-73 will be completed and it will be back in the House. There have been proposals in this debate and in committee for amendments. Indeed, we have put some amendments before the committee and I shall be looking for those and some points that members have made, and will be prepared to consider them.

I would stress, again, the importance of taking action now to restrain the rate of inflation in Canada, taking action through the measures we have put forward to assure those Canadians who want to co-operate with the program that with their support and with the sanctions put forward in the bill, they will be rewarded by a lower rate of inflation and individual groups will not be able to take advantage of the situation. In the weeks to come, we hope to find that kind of support so that the program can be put into operation and all can enjoy the benefits of the kind of restraint that we believe is in the national interest.

● (1430)

[*Translation*]

Mr. Charles-Eugène Dionne (Kamouraska): Mr. Speaker, much ink has been spilt and much has been said about the inflation issue. We note that the problem is far from being solved. The motion under discussion today shows that some people realize that the distribution is far from fair for professionals and wage-earners in Canada.

I will take this opportunity to point out that in my opinion, there are three economic causes behind inflation: First, taxes, second, inadequate wages for the level of prices and, third, deficient total purchasing power in the country. Inflation is an economic phenomenon. Therefore it has economic causes. However, inflation appears in one sphere of human activities. We also find a psychological cause which we feel is specifically due to the economic conditions in our present economic system. On one hand, wage earners as a group ask for salary increases either to make both ends meet or to provide for amenities. On the