

*Anti-Inflation Act*

There is one clause in the bill which I do not know how to properly interpret. It is the clause which refers to the historic relationship between closely related groups of workers or employees. They are not affected by the legislation and an increase can be given under the guise of historic relationship. I do not know how many historic relationships there are, but I would think there are very few employees anywhere who are not historically related to some other employees in a closely related field. The extent of this gap in coverage is not made clear.

The coverage of the legislation, the scope of the exemptions, and all other matters which presumably will finally be written into the guidelines are not made clear. Even if they are clear, I suggest that no firm over-all plan to stabilize prices is proposed. If prices are not stabilized, we cannot expect wage earners to accept wage controls. These controls would hit particularly hard at people like pensioners, those not earning an adequate minimum wage, those who have no union to bargain for them. These are the real victims of inflation, yet apparently there is no measure in the legislation to assist them. In my riding there are many old age pensioners who will be asking me, while prices continue to rise, as undoubtedly they will, what protection they have. I know there is a cost of living escalator; my colleague from Winnipeg North Centre (Mr. Knowles) has frequently explained this and I am not going to take the time to detail the matter.

Looking over all these different points, Mr. Speaker, I am afraid that the government has come up with an inadequate measure to tackle the evil at which it is aimed. I am afraid there is no clear plan to enforce price control to balance attempted enforcement of wage control. As a result, I believe that the longer we pursue this matter, the more dissatisfaction there will be. It is fine to talk about consensus, and it would be nice to have consensus about what we should do to combat inflation, but we cannot have consensus on the basis of a lopsided control that benefits one group and punishes another.

Lastly, let me mention the positive aspects to which reference has been made previously. If we are to deal with inflation, should we not do something about the scarcity of housing? In my constituency, escalation of rents is the most serious concern of many elderly people and people on fixed incomes. A tragic situation has developed, the solution to which is not controls. With a shortage of accommodation within the price range that people can afford to pay, whether by way of rent or mortgage, controls will be evaded. We saw this during the last war when under-the-table payments were made to get people in or out of accommodation. All sorts of indirect methods were devised to extract higher rents from people who were desperate for housing because of the shortage.

One thing we must do if we are really going to solve this problem is provide more housing, and a large portion of that must be public housing because the private system of providing housing is not meeting the needs of the Canadian people. I know the Minister of State for Urban Affairs (Mr. Danson) says he has some great scheme up his sleeve, and I will be interested to hear what it is, but if it is anything on a par with what he has produced to date or, indeed, what was produced by his predecessor, it will be just another scheme for giving a little bonus to the people

[Mr. Brewin.]

in the top one-tenth of the income scale in order that they may buy houses that are far too expensive for the average Canadian to have any possible interest in.

● (1420)

I believe that to produce an unworkable and unbalanced scheme today is a sham and a fraud perpetuated on the people of Canada. We have a real problem that must be solved, but we cannot solve it in the way this bill suggests. It is for these reasons, and the many excellent reasons advanced by my colleagues in the course of the debate, that I say the only proper thing to do is reject this bill and try again.

[Translation]

**Mr. Charles-Eugène Dionne (Kamouraska):** Mr. Speaker, since the Prime Minister of Canada (Mr. Trudeau) spoke on television on October 13, 1975 to announce that the following day he would ask Parliament the authorization to set strict controls on price and income increases, we have heard many comments which were not always very favourable.

The next day, on October 14, the Minister of Finance (Mr. Macdonald) introduced in the House Bill C-73, An Act to provide for the restraint of profit margins, prices, dividends and compensation in Canada. This legislation, which I would say stems from forced voluntarism, has given rise to various reactions throughout the country. The Acting Prime Minister (Mr. Sharp) explained at the beginning of the sitting on October 22 that the absence of a few ministers was justified because they were travelling throughout the country to explain the provisions of Bill C-73.

I hope they will be welcomed everywhere, since sacrifices must be generally accepted by the people in a period of inflation created by a financial system which does not properly take into account the economic conditions of the time.

A Montreal newspaper reported on Wednesday, October 21, that the Minister of Labour (Mr. Munro) had launched a crusade to explain the new restraint program and that on his arrival at the meeting place in Winnipeg, he had been received by demonstrators who seemed more or less prepared to listen to his explanations. It must be added that on that occasion he met more than 750 workers who were concerned about the probable loss of their job.

On Tuesday, October 21, *La Presse* published an article headlined this way: Anti-Inflation guidelines generate serious injustices. Here is the comment that followed:

Union leaders seem to recognize the need for restraint one way or another to fight inflation. However, they are concerned about the injustices that the ceiling on wage increases will generate.

Here are a few examples: Chefs working for the federal government can be grouped either with hospital employees or with general services employees; the former have obtained last spring a salary increase of 21 per cent but the latter are negotiating a new contract and thus will not be able to obtain more than 12 per cent.

Forest workers with the International Woodworkers of America in British Columbia have just signed a collective agreement which provides for a 30 per cent wage hike over the next two years; their friends of the paper industry refused to sign their collective agreement because they hoped to obtain still more. Now, they will have to be satisfied with 12 per cent.