

*Anti-Inflation Act*

pointing out some areas where I think the bill could be improved as it moves through the legislative process.

I believe these kinds of questions and areas of concern should be dealt with during our parliamentary consideration of the bill in order for it to have the fullest possible understanding and support of all segments of the Canadian people. This understanding and support is essential if the prices and incomes policy and the government's attack on inflation program as a whole are to succeed in their objectives of protecting the real incomes of Canadians and our competitive position in world markets.

As we know, Mr. Speaker, the prices and incomes policy basically involves a set of guidelines for restraining prices, profit margins, dividends and wages, backed up with a selective enforcement mechanism, that is, a mechanism for selective mandatory controls. I believe the program is on the right track because it reflects the kind of approach I have been advocating for the past 15 months. It is the approach of the anti-profiteering bill. This bill was a key part of the government's election platform and I believe this fact was a major reason for the public's decision to re-elect the government with a clear majority. I believe the voters wanted this measure and voted to re-elect the government in the expectation that it would move promptly after the election to have the anti-profiteering bill made into law.

This was something which, unfortunately, did not happen. I say "unfortunately" because it could well be that if the bill had been presented again to parliament by the government shortly after the election, it might have been possible to have a guidelines program in effect with the mandatory selective controls applying only to prices and profits and not to wages and salaries as well. Some 15 months ago, it could be argued, wage demands had not yet begun accelerating at quite the same rate as appeared to be the case some months later.

Also, the House will recall the government's effort prior to the June 23 budget to have a consensus program for restraint of prices and wages agreed to and followed on a voluntary basis by labour and business. This effort was not successful. However, it might, and probably would have succeeded if the government had been able to assure labour that the burden of restraint would not have fallen unfairly on its shoulders and that there would in fact be an effective means of restraining unwarranted price and profit increases. In other words, I think the program could have worked if it could have been backed up with the anti-profiteering bill.

The NDP is now concerned that not only the new restraint program, that is, the guidelines, but also the mandatory controls set out in Bill C-73 will apply to a large segment of the labour force. In my view, the NDP bears some responsibility for this state of affairs, and leaders in the labour movement who are NDP oriented should recognize this. I say this because if the NDP has supported the anti-profiteering bill when it was originally presented, the bill would likely have been on the statute books for the past 15 months. As a result, certain elements in the labour sector might not have begun to show a tendency to go beyond even catching up with inflationary price increases and to anticipate the most hypothetically extreme future price increases in their wage demands.

[Mr. Gray.]

In other words, the NDP, in refusing a year and a half ago to support a bill which would have permitted selective controls only on prices and profits, helped create a situation in which there is a case to be made for applying selective controls on part of the wages and salaries area as well as to prices and profits.

When the Minister of Finance (Mr. Macdonald) spoke in the House during the special debate on the government's white paper on Tuesday, October 14, he attempted to answer the contention that—

—in some quarters, both inside and outside the House the government should have taken action long before now to establish some form of prices and incomes policy.

● (1210)

He pointed out—correctly, I think—that "the proposal for imposition of comprehensive, mandatory price and income controls that some urged on us 2½ years ago was very much the wrong policy at the wrong time." Of course, the government is not now proposing that kind of comprehensive, mandatory control. It is not now proposing a total freeze, followed by mandatory controls on every part of the economy as were urged by the Conservatives prior to and during the 1974 election.

The minister went on to present arguments against this kind of comprehensive wage and price control program, but he did not attempt to show there was no case at all, as I understand his argument, for a more limited form of controls over a year ago. In fact, the government itself made the case for it when the government presented the anti-profiteering bill to parliament just before the election. It did so again when it later asked the public to re-elect it so that it could pass the bill into law, something it said during the campaign it had been prevented from doing only by the irresponsible action of the two opposition parties in forcing the election.

The cost of living figures were similar in their double-digit rate of increase in most of the last six months of 1974 to the rate of increase over the past several months. One difference today, of course, is that unemployment is considerably above the level it was a year and a half ago. However, the government now has taken new action. I think it has shown the kind of leadership it promised during the election, by setting out a special economic program it thinks necessary for the well-being of the country at this time and then by proceeding to go out and sell it to the country to mobilize wide public support. It is doing this rather than simply waiting for that public support to develop solely of its own accord to the point where the government is carried along by it in a passive and responsive way.

I believe the government does deserve credit and support for the act of leadership reflected by its attack on inflation program and Bill C-73. However, I want to suggest some areas where improvements could be made in Bill C-73, which does follow the approach of the anti-profiteering bill except that it applies to incomes as well as to prices and profits. I am basing my suggestions on some of the techniques set out in the anti-profiteering bill.

There has been concern expressed in the House that Bill C-73, unlike the anti-profiteering bill, does not provide that before a firm can increase its price it must first give