

Anti-Inflation Act

To sum up, I wish to emphasize that the inflation problems of most Canadians are not solved by this bill. They are caused by a limited supply of housing, trends on the international commodity markets, and the concentration of market power in the hands of fewer and fewer corporations. These problems are also caused by the inability of the government to show any economic leadership.

I hope that the leaders of the business community who live in places like Rosedale and Mount Royal are happy with their elected representatives. I know that people in many other parts of the country, especially those in the Northwest Territories, are not happy with such members.

The Acting Speaker (Mrs. Morin): Before recognizing the Minister of Finance (Mr. Macdonald), I must advise the House that if the minister speaks at this time he will close the debate.

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, before I start on the substance of my report I wish to refer to the hon. member for the Northwest Territories (Mr. Firth) who on half a dozen occasions chose to refer to my constituency as being particularly affluent, and indicated that therefore I would bring to this question a rather narrow viewpoint. I think it is unfair to put to the hon. member for Northwest Territories the requirement that he know in detail all aspects of the country. He has a lot of ground to cover himself.

I can understand that the hon. member might not know my constituency very well. But he obviously was not listening to his colleague the hon. member for Broadview (Mr. Gilbert), who spoke just five minutes before, pointing out how similar his electorate was to mine, that is Broadview and Rosedale. I am going to say about the characterization that if I am a fat cat, I guess the hon. member for Broadview is as well.

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): The hon. member for Northwest Territories does not have to listen to me or visit my constituency, but he should listen to the hon. member for Broadview. He is a man of excellent spirit and sentiment, even if from time to time I disagree with some of his judgments.

In reply, I would like to state that since I last had an opportunity to participate at second reading I have discussed the white paper and Bill C-73 with the provincial governments in the two-day federal-provincial meeting. I wish to refer briefly to that meeting and also to some of the points made during the debate.

With regard to the federal-provincial meeting, the provinces really agreed on three essential points. First, they agreed with our expression of concern about the current economic situation, in particular with regard to the trend in the rates of inflation as requiring special action; second, that the initiative for this action must appropriately and properly be taken at the federal level and by this government; third, that while there may be certain details of the program we put forward with which they disagree, and upon which they would like to see changes—as I said in question period today, we will certainly consider changes and I will refer to those in a moment—in general they are

prepared to support and co-operate with these particular proposals.

One of the points that emerged at that meeting and which should be pointed out in this debate is that a policy with regard to prices and incomes, by definition cannot possibly deal with all of the economic issues in Canada. There are many serious questions with which we have to be concerned. The question of regional disparity has been referred to by a number of my colleagues on this side. There is also the question of range of incomes within the community in a vertical sense, and the kinds of changes we should have particularly when dealing with those on fixed income.

The first point is that we cannot and should not by this policy alone try to overcome the problem of regional disparity. We should continue to try to improve the policies that have been and are being followed by my colleagues in that area. On the other hand, we should not by this program seek to make the disparity any worse. It is for that reason I have to reject, for example, the suggestion of the treasurer of Ontario that there should be cuts in the DREE program. This is a question which has also been raised in the House.

With regard to government expenditures, obviously there will have to be some hard decisions taken in connection with the 1976-77 estimates. There will have to be some cuts which will be painful in certain parts of the country. However, with regard to certain policies, Regional Economic Expansion is one we should seek to make more efficient, but we should certainly not make it a particular victim of our inflationary concern.

The second point is that over the years there have grown into our economy and society inequalities in incomes. Some of these have come about directly as a result of collective bargaining. Under our system the trade unions have been in a position to bargain for more favourable treatment, not only to create difference as between different worker groups in our community, but within the structure of a union itself, a scale of compensations. So one cannot hope to overcome by a prices and income program alone differences in economic return to various people in Canada.

● (1530)

Governments in Canada essentially over the years have assumed responsibility for providing basic standards of income for the unorganized, for example through the minimum wage laws both at federal and provincial levels. As I had an opportunity to say in this House yesterday, my colleague, the Minister of Labour (Mr. Munro), had the opportunity yesterday afternoon to continue the federal-provincial discussion of the minimum wage in Canada.

It is a fair observation that in the past there has been a certain ambivalence among the various provinces in regard to this matter. On the one hand there is the very legitimate concern of people elected in public life to try to divert their efforts specifically at those at the bottom of the income scale. There has been the equal concern often expressed at these meetings that a too rapid increase by the federal government will put pressures on those in certain of the provinces who are not under federal jurisdiction. My colleague will be in a position to report on