

*Anti-Inflation Act*

media. The guidelines laid down by the government state that wages can increase 8 per cent this year, 6 per cent next year and 4 per cent the third year. In addition, there can be a productivity increase of 2 per cent per year. Meanwhile, professionals, corporations and companies can have unlimited increases in productivity. One clause of the bill states that fees will be controlled for lawyers, for example. However, if a lawyer expands his business and increases his productivity, his income will not be controlled. For the worker there is only a 2 per cent increase in productivity, regardless of the increase in productivity in the country.

**An hon. Member:** Oh, oh!

**Mr. Nystrom:** If the hon. member in the back row will look at the bill, he will see that certain exemptions are made in productivity for corporations and companies, but there is no limitation. Why is there no limitation there? A limitation is placed on the wage of a working person, a teacher or anyone else in this country who has to negotiate for his income.

**Mr. Peters:** His productivity is only 2 per cent, regardless.

**Mr. Nystrom:** As the hon. member for Timiskaming (Mr. Peters) says, his productivity is only 2 per cent, regardless of the productivity of that industry or the nation as a whole. Wages are easily controlled. They are negotiated out in the open. We then have the limitations on wages. The Minister of Finance (Mr. Macdonald) said the \$600 figure was just taken out of the air, perhaps some other figure should be used. I suggest that having the maximum for people earning the lowest salaries in this country at \$600 is very unfair, when the salaries of those earning \$25,000 or more can increase by \$2,400 and still be within the terms of the guidelines. If there are contracts existing where there are automatic escalation clauses, that \$2,400 limit can even be exceeded. That is very unfair.

● (1450)

If the minister wants a suggestion, I would say to him that instead of using a percentage increase, which really widens the gap between the rich and the poor, he should be looking at the increase in the cost of living and at the productivity of the nation and coming out with an across-the-board dollar figure for everybody in the country, regardless of whether it is for the charwomen in this building, or the workers upstairs, or the lawyers, or the doctors or E. P. Taylor.

Perhaps, Mr. Speaker, instead of using the figures we see in the guidelines everyone should get an increase of \$1,000 or \$1,200 a year. Or, if you wish to be really equitable and try to narrow the gap between the rich and the poor—and I am sure this is something Liberals do not want to do—why should not the maximum for the low-income people be \$2,400 a year and the maximum for high-income people \$600? Of course, that would penalize the rich friends of the Minister of Finance, the Minister of Energy, Mines and Resources (Mr. Gillespie) and other people across the way. But it certainly would not penalize the old age pensioners or the people out there in small towns in Saskatchewan, or the person cooking in a restaurant in Regina. It would certainly help those people.

[Mr. Nystrom.]

It would put purchasing power back into their pockets, and they would purchase goods and commodities. It would help expand the economy and increase employment in Canada, and in the long run it would also help the Minister of Finance—as the former minister of finance said a few months ago—to cure inflation in Canada.

The other thing that strikes me as being very unfair about wages is that a few weeks before this bill was brought before the House the senior civil servants in this country had been given authorization by the cabinet for very large increases in salaries. Many of these senior bureaucrats are the people who drafted the very legislation we are considering today. I think that is very unfair.

I have before me a copy of the report of the Advisory Group on Executive Compensation, a report which was, I understand, given to the cabinet in April, authorized in July, the final authorization to grant the increase being signed only a few days ago for some of these people. For example, Mr. Speaker, there is an increase in salary for deputy ministers II—this is the maximum category—from \$54,000 to \$60,500, an increase of \$6,500. For DM III, an increase of \$6,000 per year was granted, from \$60,000 to \$66,000. These are wage increases approved by the government only weeks before the very same bureaucrats drafted the white paper and the legislation we are now being asked to approve in the interest of little Canadians, of the workers, the pensioners and the ordinary citizens of this country.

What about the poor? What about the unorganized? Even if a benevolent corporation wanted to increase the salaries of the poorer workers in its textile factory, it could not do so if that increase were to exceed the guidelines. Any increase in salary above the guidelines would not be exempt from the profit margin a corporation is making, at least that is the understanding I have of the bill from questions I have put to senior civil servants.

What about contracts which are about to expire or are in the process of being negotiated? How does one determine if one industry is related to another industry in this country? How does one determine if there is an historical relationship? These are questions we are asking. They are the questions that no one is prepared to answer except Jean-Luc Pepin and Beryl Plumtre, and I do not think this is very fair. These things should be outlined and stipulated in the bill. We should be able to vote on these particular matters, as parliamentarians, and make specific decisions on them.

I turn now to prices. We have a proposal to control prices here, as the Prime Minister says, by controlling profits—the per unit profit or the over-all profit of the corporation which is involved. Let us consider the loopholes. What kind of loopholes are there going to be if you control prices in that way? First of all, any lawyer or any accountant worth his salary or his salt is going to figure out some way of padding the books or arranging the accounts so that corporations do not suffer the penalties being advocated in the bill for exceeding the guidelines. If that lawyer or accountant does not do so, then he should be fired. I am sure he would be fired if we were directors of such a corporation or the presidents of companies so involved.

There are many ways to do it. A corporation could claim its expenses had increased—and there are “maybes” and