

Members of the finance committee have heard from members of the administration, not only privately but publicly, and from the former chairman of the AIB, who was one of the first ones to say it, that it was unfortunate that the government had not chosen an immediate freeze instead of this creeping sort of program which has been in force and which, frankly, sabotaged the whole principle. A good deal could have been done, but this program as it has worked out has been on the down-slide for many months, and the sooner the government gets rid of it the better because it is causing us to have a surplus of Canadian investment in the U.S. as against investment here in Canada.

Consider the major realty companies in this country. They are investing hundreds of millions of Canadian dollars in the United States and they have been doing so for the last two years. Why? Because we have the most aggressive tax system in so far as business and returns to Canadians are concerned. We have ten times too many regulations, starting with the federal government and going on to the provinces and the municipalities. I will put the blame on the backs of the provinces and the municipalities with regard to realty developments in this country. It is a known fact, it is notorious, and it is to our utter shame.

● (1622)

If there are going to be realty developments, whether of a residential, commercial or industrial nature, it will take developers up to five years to fight their way through an almost impenetrable jungle of a mish-mash of assinine regulations in many instances. During all that time, of course, developers will pay taxes and interest. However, in the United States it takes two years at a minimum. It may take three years, but still that is a big difference. Our major Canadian industrial and commercial developers soon know what the answer is and where the money is going to be made. That is the proof of the pudding. Let us not worry; tax is going to be paid. The Income Tax Act will affect those profits. There will be no exploitation of the public or anything like that.

It is high time this program came to an end. The commodity index on the basis of prices last month was 9.5. Within two months it will be over ten. When we include increases in the prices of petroleum products between now and mid-summer, it will be over ten. The figure will be a double-digit figure.

Wage and price controls are as effective as a sword fight with icicles in the mid-summer sun. The only thing good I see in this bill I pointed out at the beginning. Mr. Tansley, the present administrator, was in the committee dealing with supplementary estimates in November of 1976. I said the following, as recorded at page 6:22 of the minutes:

One point that I did want to raise particularly, Mr. Tansley, is the legal effect of your orders or the decisions or the recommendations of the AIB. They do not modify any contract, do they? They are merely a rollback of rates of compensation for whatever may be the term of the contract or the agreement and that if—I put it to you—say in June in 1977, it were decided to lift the whole program of price controls, all those contracts would spring up like so many mushrooms before dawn at the contract rates and that we have a time bomb sitting in in so far as prices as well as compensation rates in all these contracts which we are now seeing.

### *Anti-Inflation Act*

And I think you would confirm you are seeing more and more two- and three-year contracts and the strategy is simply, now you negotiate for a contract well down the road at rates—you may roll them back—but as we approach the terminal date of this program, or shall we say the political attractiveness of lifting the program, there is going to be a very serious adjustment because you have not the power to modify the contract.

MR. TANSLEY: It is my personal view that your concern is well placed but I do not know that I am in a position to say much more than that.

In parenthesis I might say that I confirmed this in subsequent meetings with the then minister. With regard to clause 5 of the present bill insofar as it applies to controls on wages and prices, I agree that there should be a legal amendment of any negotiated agreement for working conditions and pay to the extent that they have been modified by the Anti-Inflation Board or by the administrator and not merely deemed to be a roll-back with a subsequent time bomb.

As my colleagues have pointed out, the first part of the bill is but a retroactive application of a recommendation made by the AIB at the request of the government. I do not like the retroactivity of clause 1 and clause 8. The government had the opportunity and did amend the act, and to that extent I find the act objectionable. Personally, I think the anti-inflation program in its present form has to be wound down and out. It was in a bad form to begin with, and it now has a deleterious effect on our economy. The sooner we get rid of it, the better off we shall be.

**Mr. Andy Hogan (Cape Breton-East Richmond):** Mr. Speaker, it is on the record in *Hansard* that I have been opposed to wage and price controls as imposed by this government since Day 1.

**Mr. Stevens:** You voted for them twice.

**Mr. Hogan:** I voted for selective price controls.

**Mr. Stevens:** You voted for them twice.

**Mr. Hogan:** Do you want to make your speech now, Sinc?

**Mr. Stevens:** When you sit down.

**Mr. Hogan:** The ungracious intervention by the so-called finance critic, who I think used to be the president of a western bank and now has a bleeding heart for the unemployed in this country, to the effect that I personally voted for price and wage controls as imposed by this government is a complete distortion, if not an outright fallacy.

As everybody in this House and as this whole country knows, in both the 1972 and 1974 elections this party took a stand in favour of selective price controls, and our continuing conviction was enunciated in the House yesterday by our leader when he said that in such things as mortgages, automobiles and in other particular sectors of the economy, whether we are elected or in the opposition, we would still push for selective price controls as a means of overcoming price instability and price inflation in the economy. What was imposed by the government was altogether different.

The government has almost total control of wages but loose control of prices. Prices of imports and other commodities