

Anti-Inflation Act

● (1630)

The government has been unable to determine how and when it would like controls to end. It is true the legislation was written to continue until the end of December, 1978, but the minister has said perhaps they should be removed sooner than that.

The government suggested three ways of approaching decontrols. Yesterday in the minister's remarks he referred to two principal choices involved in the removal of controls. I do not know what happened to the third one between the time the paper was written and the speech was made. The first he said was the immediate simultaneous withdrawal of controls. The second was to phase out withdrawal of controls.

We on this side have always maintained that a sudden withdrawal is best because, after all, that is what is contained in the legislation. We have proposed an end at an earlier date than the end of December, 1978. However, the government has now decided that a sudden withdrawal of controls is not a desirable method of doing the job, even though it has been unable to explain how a delay in the removal of the controls until 16 or 18 months from now would be any easier than at this particular stage.

It was agreed by everyone at this conference that I attended and referred to earlier that controls should be removed, the sooner the better and the more suddenly the better. I should like to refer to some of the reasons why the different groups said that. Perhaps I should start with labour because that is the group whose opinion is most often tossed around.

Labour probably wants higher wages. After all, that is the duty of labour leaders. They are in a job for the same reason as business leaders, to increase the returns to that sector. Labour leaders understand that controls are damaging the economy of Canada. They understand that controls are hurting their own constituency, labour. They understand there will be no more jobs because there will be no more investment in Canada as long as we have controls.

I already referred to the investors who are seeking foreign fields for their capital. Investors can work with any set of rules any kind of government wants to give them. However, investors and business people must know what the rules are. They cannot go into a game, to quote what my leader said at that conference, not knowing what changes in the rules are going to happen overnight. They need to have something to go on, some confidence. The last thing this government has given them over the past nine years is confidence.

Confidence is necessary. Otherwise there would not be any investment. If there is not any investment, there will not be any new jobs. That is a simple equation. That is the way the economy works. It may be that the Prime Minister wants the economy to work in that way. From remarks he has made, one may have reason to doubt what his real objectives are.

I think that covers the reasons why business wants controls removed. I dealt with the labour unions. I think of the white collar worker. We have had complaints in the House this week about the ineffective application of the executive compensation

[Mr. Clarke.]

aspects of the anti-inflation rules. It seems all right for the top executives to get huge increases as long as the white collar workers do not get any. It is obvious the white collar worker wants a bite at the increasing apple, but he is not getting it under the present rules.

It might be worth while to look at who does not want controls removed. The minister talked about provincial governments. I think they are the only ones he referred to that do not want the controls program removed. Even my own province of British Columbia has said that it would institute a program of controls if the federal government got out of it. The federal government, with all respect, has not shown any sign of getting out of it. The only reason the provincial government in British Columbia said it would institute its own program is that it has a terribly serious labour problem in that province. Finally, yesterday the Minister of Finance made a proposal to enter into one step of decontrol. I will be very interested in hearing what the provincial government has to say when it hears about that step. It will probably agree with it.

Before I come back to that decontrol step, I want to talk about pensioners. The Minister of Finance very neatly neglected to talk about pensioners yesterday, and what they think about controls. It is true that some pensioners in Canada get an indexed pension. It can hardly be said that the indexing of the Canada Pension Plan, the old age pension, or even the guaranteed income supplement will be a joy to pensioners whose rents or taxes are going up at great rates and whose other costs are going up at rates faster than their pensions.

Coffee prices may be an example of something that has gone up by 300 per cent. Rents, because they are controlled in many provinces, now have a floor. Therefore they are guaranteed an increase of 8 per cent, 10 per cent, or whatever the floor happens to be. There is not a maximum but a minimum on rent controls.

What about pensioners who are on private pension plans or, worse still, invested in Government of Canada bonds to provide for their old age? Look at the return value on that notorious set of 3 per cent perpetual bonds in 1936 which have been extended and will now be called in 1996. That makes them a 60 year bond. The people will be long gone before their bonds are redeemed.

Mr. Johnston: It is known as Liberal bondage.

Mr. Clarke: Yesterday in his remarks the minister appeared as though he were reaching for manna from heaven. I want to quote the remarks of the Minister of Finance:

To provide for greater certainty with the approach of decontrol, the government has therefore decided to propose amendments to the Anti-Inflation Act to deem these agreements to be amended in line with the AIB recommendation or order of the Administrator. An amending bill would be introduced to deal with this. In the same way, the law will make sure that profit restraints imposed, for example, by excess revenue orders, will be effective.

Second thoughts again. I am reminded of the initial imposition of the program where dividends were frozen, to the complete ignoring of the dependence of pensioners who had no other means than dividends to keep abreast of inflation. That