carefully whether or not controls should be reintroduced, at least in a period of peacetime. Obviously they distort the market. They make more difficult business transactions and decisions as to whether to expand and plan for the long term. Business tends to sit and wait, not knowing what the government is going to do next, and it is in no position to make any commitment for expansion.

But the cardinal failing, it seems to me, is that in a country where nearly 50 per cent of our GNP is channeled through governments, there has been no real control on government expenditures and no real control on increases in the public service wage remuneration level or on the various charges that Crown corporations can levy on corporate citizens, such as hydro and so on. Furthermore, Crown corporations, not usually considered in the public sector, did not, in the main, observe restrictions that were so evident in the private sector. The private sector has now become a relatively small part of our economy compared to what it was some years ago. Certainly it means that the advantages of any slowdown in wage increases in the private sector do not have nearly as great an impact on the total economy as was the case many years ago.

I would like to say a word about the cost to firms observing AIB rules and filling in AIB reports. I can quote a small professional operation which had a gross income of slightly over $20,000, in a profession whose fees were negotiated by an association and the provincial government. This situation put him in a so-called safe haven. But in order to prepare the AIB form the charge to this professional by his accountants was some $600 a year or about 3 per cent of his gross earnings. I suspect that this is fairly true for business at large. The cost of complying with the AIB, doing the paper work and submitting the required reports amount to somewhere between 3 per cent to 5 per cent of the cost of doing business in many instances. Not an insignificant amount, particularly when you add such costs as bilingualism, which many people feel adds another 5 per cent and which we recognize is a financial problem for Canadian business.

With the slack in manufacturing and in all sections of the country in the private sector, wage increases should not be increased excessively in the coming year. In any case, wage levels in the private sector seem to be substantially lower than in the public sector, so there is a steady move of competent and skilled workers and managers out of the private sector into the public service or public institutions. This certainly can be seen in small communities. From personal experience I can state that some of our most productive industries, such as agriculture, are not able to offer the salaries, amenities and pensions that government services can offer. In this field workers are scarce, and they will become scarcer because the agricultural industry is unable to compete with the public service. This seems to me to be one of the most important things we have to deal with in the economy. Furthermore, the rates of pay, hours, pensions and amenities make the excellence demanded so much easier to come by in the public service. Yet even in the face of supposedly high unemployment, there are many jobs, such as field workers and so on, that are not being filled because there are no applicants. Many are necessary for the functioning of our economy. We could do without many of the service workers, but not without jobs that produce our goods.

● (2102)

The minister did not bring forward a plan of the decontrol period. He did not bring forward the idea of a watchdog commission to watch over wages and prices, although he did talk about it vaguely. He may feel it would become another bureaucracy with another layer of people to watch over private business.

Bill C-18 is only marking time. It extends the AIB coverage for another eight months. As I have stated, every indication is that 70 per cent of wage agreements will continue past April 14 to the end of the year. Profit performances in the nature of 80 per cent will continue to be controlled.

This bill makes one or two amendments that are necessary in preparation for the removal of controls. However, it fails to bring forward any suggestions with regard to the post-control period. There is the possibility of economic chaos when controls are lifted. In particular, there is the question of how to deal with the public sector in order to find a reasonable method of assessing wage increases. The Prime Minister (Mr. Trudeau) says he has a plan which he will put forward to the provinces at the forthcoming federal-provincial conference. However, there is nothing in this legislation to indicate what the government has in mind about this important facet as we approach decontrols, hopefully by the end of the year. I refer to the period when we will function without controls.

[*Translation*]

**Mr. Roch La Salle (Joliette):** Mr. Speaker, I would like to say a few words about this legislation which I think brings an extension of these controls which have been embarrassing so many Canadians for too long.

I remember very well, Mr. Speaker, when these controls were introduced in 1975, we on this side were already blaming the government for having waited much too long to do so. It was already too late to reach the proposed objective which was to curb inflation, a danger that had been hanging over our heads for several months and about which the Progressive Conservative party had warned this government on several occasions.

So we have lived through this period of controls and I suggest that now we have the right to examine its results. I believe, on the one hand, that this point has been recognized throughout the country and, on the other, that we have also come to realize that those two years were sad years for Canada. And we cannot help admit with all those who have a little sense of objectivity that the results are deplorable. We have partly succeeded in curbing salary increases but not prices. And that is where it hurt Canadians and did them wrong because they had to live through an increase in the cost of living as a result of a badly prepared, badly drafted and especially badly implemented piece of legislation. As I pointed