

ORAL QUESTION PERIOD

[English]

FINANCE

MINISTER'S VIEW ON COLA CLAUSE IN LABOUR CONTRACTS
IN THE PRIVATE AND PUBLIC SECTORS OF THE ECONOMY

Hon. Robert L. Stanfield (Leader of the Opposition): In directing my question to the Minister of Finance, I would remind him that on January 28 he said he had informed labour leaders in Vancouver, I think it was, some time previously that from his point of view the addition of a COLA clause made a good deal of sense because it responded to the cost of living rather than anticipating rates of inflation which hopefully would not be attained. I would surmise that following this statement most labour leaders would think that a COLA clause was well within the ground rules of the Minister of Finance related to restraints and the policy of consensus he is trying to attain. Is this statement that a COLA clause makes a good deal of sense still the minister's view?

Hon. John N. Turner (Minister of Finance): Yes, sir. There may be situations in negotiations between employers and labour where a COLA clause would be less inflationary than a clause based on future rates of inflation which might be a self-fulfilling prophecy. Each case must be examined on its merits.

Mr. Stanfield: I should like to ask the minister whether his statement that from his point of view the addition of a COLA clause made a good deal of sense would not be taken to be a declaration of a much more general nature than he has indicated. Specifically, I would ask the minister whether it is the policy of the government in discussing a consensus with labour leaders and others to approve of the presence of a COLA clause in a contract. Would any contract negotiated with such a clause in it be regarded by the Minister of Finance as being out of order?

Mr. Turner (Ottawa-Carleton): As I indicated to the hon. gentleman rather fully last Thursday, just after orders of the day were called, we are at the exploratory or evolving stage of this consensus and the government has not yet put forward any proposals. We are listening to labour, management, professionals and consumer groups to find out what aspects of moderation in their claims against the economy are possible.

Mr. Stanfield: Having told us that in his view a COLA clause would not be considered to be excessive in the case of labour contracts in the private sector, would the hon. gentleman indicate his attitude toward a COLA clause in a public service contract?

● (1520)

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I have said that in general terms it may be that negotiation or settlement of any particular COLA clause would be less inflationary than a settlement which tried to anticipate future rates of inflation as a direct linear projection of the current rate. So far as public sector negotiations are concerned, it depends on the particular situation. I have full confidence that the negotiator on behalf of the govern-

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ment will take all factors into consideration, and the man in charge of negotiations for the government is my colleague the President of the Treasury Board.

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PUBLIC SERVICE

POSTAL EMPLOYEES—GOVERNMENT POSITION ON MAKE-UP
PAY BOOST

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I have a supplementary question for the President of the Treasury Board. In light of the fact that a make-up pay boost is one of the basic requirements of continued negotiation with the postal unions with reference to the current troubles and has also been underlined by the Postmaster General from time to time as being one of the reasons for the continuing malaise among postal employees, would the President of the Treasury Board put forward some sort of proposition that would get negotiations started again with this important sector of the public service?

[Translation]

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, we undertook negotiations. I believe one group applied for conciliation, and we will be present. Everything is proceeding normally. We hope a common ground can be found, to the satisfaction of both parties.

[English]

Mr. Dinsdale: A further supplementary question, Mr. Speaker. With reference to the specific question that I asked the President of the Treasury Board, is he considering the make-up-in-the-pay-cheque proposition that is regarded as basic to any resumption of negotiations with the postal workers?

[Translation]

Mr. Chrétien: Mr. Speaker, I do not believe a move in that direction would be appropriate. The hon. member should know a \$500 payment was made to all civil servants whose contract was not negotiated in 1974. Post office employees were paid that \$500, as was every other government employee.

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[English]

FINANCE

REASON FOR DELAY IN IMPLEMENTING GUARANTEED
ANNUAL INCOME PROGRAM

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Finance. Considering the fact that among those most seriously affected by the current rate of inflation, which is running in the neighbourhood of 10 to 12 per cent, are the six million Canadians who would be positively affected by the introduction of some form of guaranteed minimum income program at this time, would the minister inform the House why under the existing circumstances the government has reached the decision—if indeed it has—that it does not