

have equivalent and fair procedures applying to various forms of energy, whether electricity, natural gas or oil.

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● (1450)

[English]

## PUBLIC SERVICE

### BUSINESS COUNCIL'S CALL FOR WAGE CONTROLS

**Mr. David Orlikow (Winnipeg North):** Madam Speaker, my question is for the Prime Minister. Yesterday nine members of the Business Council on National Issues publically urged the Prime Minister to impose wage and salary guidelines on public employees, of less than seven per cent. Given the fact that if this principle were applied to all Canadians, and that the salary of one of the members of that delegation which made the proposal, the chairman of Bell Canada, last year was \$626,000, his increase would be more than the total income of two typical public sector employees. That demonstrates the hypocrisy of these proposals. How does the Prime Minister rationalize his call for the same kind of restraint on the salaries of public servants?

**Right Hon. P. E. Trudeau (Prime Minister):** Madam Speaker, I cannot give a rationale for the statement to which the hon. member refers because I have not read it, although I was notified that such a statement was made. I would point out to the hon. member that the government has expressed the view that if we all try to get settlements at the same rate as inflation, inflation is not likely to come down. That is why I proposed a scheme to the provinces in February whereby we would not give 7 per cent but perhaps freeze entirely those in the upper brackets, and give more than 7 per cent, perhaps something like CPI, to those in the lower brackets.

I repeat that the proposal did not make much headway with the provinces or, I believe, with the NDP. But I do think there is much to be said for government's giving an example of restraint and making the argument with the Canadian people that if we all expect to keep up with inflation, inflation will never come down and interest rates, therefore, will never come down.

**Some hon. Members:** Hear, hear!

**Mr. Orlikow:** We had the same kind of argument from the Prime Minister in 1975 when he imposed the so-called wage and price controls. In that period when we had the wage and price controls, unemployment rose from 6.9 per cent in 1975 to almost 8.5 per cent in 1978, and at the end of the control period inflation was back to what it was when the Prime Minister imposed the controls.

### EFFECT OF WAGE CONTROLS ON INFLATION

**Mr. David Orlikow (Winnipeg North):** Madam Speaker, given the fact that inflation at the present time is running at

## Oral Questions

11.6 per cent, why does the Prime Minister hope that he will achieve better results if we adopt the present proposal than we achieved last time when they were such a failure?

**Right Hon. P. E. Trudeau (Prime Minister):** Madam Speaker, I do not think it is correct to say that they were a failure. The member will recall when controls were brought in, and I would remind him that it was the ten provincial premiers who were meeting for two summers in a row who were begging the federal government to do something exceptional about inflation.

When the controls were brought in, wage settlements were running in the area of 12 per cent for the federal sector, 14 per cent for the private sector, I believe 18 per cent for the provincial sector, and something like 25 or 26 per cent for the municipal sector. When we emerged from controls, settlements were considerably below that. They were, as the hon. member said, around 8 per cent or 9 per cent.

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## NATIONAL RESOURCES

### REPORTED REFERENCE TO SUPREME COURT ON OWNERSHIP OF OFFSHORE RESOURCES

**Right Hon. Joe Clark (Leader of the Opposition):** Madam Speaker, my question is to the Prime Minister and the Minister of Justice who will know that there are news reports today indicating that the federal government is considering a unilateral reference on offshore resource ownership to the Supreme Court of Canada, and is considering doing that as early as this week. Is that the case?

[Translation]

**Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development):** Madam Speaker, if the government does make a decision to that effect, it will be announced as soon as it has been made. No decision has been made at this time.

[English]

### REASONS FOR POSSIBLE REFERENCE

**Right Hon. Joe Clark (Leader of the Opposition):** Madam Speaker, we have a situation here where that matter has already been referred to the Supreme Court of Newfoundland as long ago as February. Is the Minister of Justice telling us that the Government of Canada does not want to give the Supreme Court of Newfoundland the opportunity to be heard? Is he telling us that the Government of Canada is actively considering a reference which will, in effect, be a direct insult to the Supreme Court and the people of Newfoundland? Is that what he is saying?

**Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development):** Madam Speaker, I do not believe I have any comment to make to the hon. Leader of the