

*Federal-Provincial Conference*

● (2:20 p.m.)

of increases, substantial ones in the case of those services for which relatively nominal fees had hitherto been charged, as well as a number of new charges. While we continue to regard this approach as sound, we have concluded that the introduction at this time of such increases and new charges could be interpreted as inflationary behaviour, despite the fact that to make a direct charge on users rather than to have costs recovered out of general revenue might in economic terms be regarded as anti-inflationary. Accordingly we shall forgo the introduction of such new and increased fees at this time, on the understanding that this decision is taken in the context of the general price restraint program to which I have referred and may be subject to review in the light of developments relating to that program.

To make clear the significance of this decision I should explain that we had planned an extensive list of new or increased charges over a wide range of services, from which the expected increase in revenue was estimated at some \$45 million for 1970-71. Prominent among these were the air transportation tax, on which the House was informed on Monday of our decision not to proceed at this time and on which anticipated revenue was estimated at \$20 million. Another major item was an increase in certain postal rates, from which \$17 million had been expected. Lesser but still important items included a variety of fees for inspection of weighing devices, gas and electricity meters and so on at \$2.9 million, fees for testing cattle, plants, meat and similar items at about \$1.3 million, and national park and historic site fees and land rentals at about \$1.5 million.

In summary, therefore, we have decided as part of our response to the general call for restraint to forgo economically justifiable increases in fees and charges on non-commercial services to the public, at a loss of some \$45 million in expected revenue, and to subject the commercial operations under our direct control to the guidelines established for private business. These measures, together with the spending restraints already indicated and such tax measures as may soon be made known, will demonstrate, I think, that we take with the utmost seriousness the problem of inflation and the need for restraint. I am confident in the light of the very useful discussion of these matters at the recent conference that the provinces likewise will respond to the situation and fulfil their responsibilities in the same manner.

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Finally, the actions of governments, important though they are in relation to this problem, cannot succeed without the active support of the public at large and a willingness on the part of various private sectors of the economy to play their part. It is surely now apparent to all that inflation must be controlled and that the widest participation in this effort will be needed; hence I am confident that the lead established by the senior levels of government at this week's conference will command a broadly based support. Through such a general effort we can hope, without undue delay and with a minimum of dislocation, to bring inflation under control and to move toward an acceleration of soundly based growth and expansion.

**Mr. G. W. Baldwin (Peace River):** Mr. Speaker, we have listened with great interest to what the right hon. gentleman has had to say. We thank him, of course, for his courtesy in making available to us the heavy documentation upon which the statement is based.

Turning to some of the matters which the right hon. gentleman raised, as far as agriculture is concerned I need only say that we on this side of the House have been endeavouring to the best of our ability for a long time to provide suggestions to the government as to ways and means of dealing with the situation. The conclusion at which the government seems to have arrived, as indicated by the Prime Minister, is that the position in the west is very difficult and that the consequences affect every area of Canada. This is the essence of what we have been saying for a long time. I am sure that no matter what the provincial premiers from the west may have suggested, their proposals will come within the ambit of those which have been made time and time again on this side of the House in the form of amendments, questions and statements. It is safe to say that no matter what solutions the premiers may have put forward—you name it, and we have already proposed it from this side of the House—

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

**Mr. Baldwin:** —with a lamentable lack of response from the government side. My hope, now, is that the Minister of Agriculture and the Minister without Portfolio who speaks for the Wheat Board will be impressed by what the premiers have had to say and will now pay a little more attention to our views on this issue.