

fragmented economies in the world—I suggest that we should at least make the effort.

I hope the Minister of Labour, the Minister of Finance, and the Prime Minister (Mr. Trudeau), will not be too discouraged by the reaction they may get at this stage to the efforts they are making to try to bring about a greater degree of co-operation between the principal decision-makers, whether in the field of government, labour or business. We might all be pleasantly surprised by the results if we can bring about the desired degree of co-operation.

The issue before the House is a simple one: Should the present system of controls be terminated by the end of the present month? Someone once said that the most important thing to consider when entering on a program of price and wage controls is how to remove them. The government has indicated the alternative methods and has come down, and I think rightly so, in favour of some kind of phased withdrawal.

An abrupt end to controls as proposed in this motion would be irresponsible, would jeopardize the substantial gains that have been achieved during the past 20 months and would, I submit, either create the impression that the program has failed and should be terminated without notice, or that the threat of inflation is over. The program has not been a failure—on the contrary, it has succeeded so well that it has become popular—and the threat of inflation is still very real. The hope is—and one can be more hopeful today because of the restraining effects of controls—that the inflation psychology has been moderated, if not eliminated.

● (1720)

As I have said, however, even though the rates of increases of prices and incomes are much below what they were, they are still excessive and dangerous. In the third year, the objective of the controls system is a 4 per cent increase in the consumer price index. Even if formal controls were to be substantially lifted, that objective, or even a lower figure, is a desirable one. A 4 per cent annual increase in consumer prices may seem small in relation to recent experiences. It is such a reduction from the two-digit figures we had become accustomed to that it looks as if it might be an unattainable figure. I do not know whether it is or not, but in my view we should be striving to get our consumer price index increase down to as low a level as possible, as well as all the other price indices.

A 4 per cent annual increase in consumer prices may seem small in relation to recent experience, but it is not small per se. When I was minister of finance and things throughout the world were quite different from what they are today, a 4 per cent annual increase for the indefinite future had implications which are still here today. If we contemplate that prices are going to rise by 4 per cent annually over the next ten years, we will be less willing to hold money and more anxious to buy goods or property. So I think we still have a serious inflationary problem to which I hope the government is directing its attention.

As hon. members know, I am no longer in the confidence of the ministers. I do not even have anyone to help me write my

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speeches nowadays. I have to depend upon myself, so I am not informed as to the intentions of the ministers with respect to the timing and process of decontrol apart from what is contained in ministerial announcements and documents. The views I am expressing now are entirely personal. I hope they accord with the views of ministers, but they are my own.

First, although the price and income restraints have been very useful, I trust that the government will resist the temptation to try to extend the term of the legislation beyond its present date because of public support for the program. The government may be tempted to do so. I hope it can resist that and, as the Minister of Finance has indicated, reinforce the price and wage undertakings which have been made while the program has been in effect. Second, I think it would be advisable to begin the process of decontrol before the end of the three-year period, so that the transition is orderly, not abrupt, and is as fair as possible to all concerned.

Third, it is my earnest hope that the government will persist in its efforts to achieve an acceptable means of promoting understanding and co-operation amongst business, labour and government, whatever the discouragements. The traditional adversary attitude amongst these three principal decision-makers must be modified. Otherwise, the pressing of their respective claims will frustrate the attainment of the common good.

The end of controls, whenever it comes, will not mean that the threat of inflation has passed. The controls only gained time to effect more fundamental changes in underlying inflationary forces, one of the most powerful of which was the inflation psychology which was so dominant in the immediate precontrol period. The challenge before government, business and labour is to achieve a new equilibrium.

We are at a watershed in the affairs of the people living in industrialized societies. The attitudes suitable to the post-war age of expansion, which was brought to an end by the emergence of the energy crisis and the persistence of inflation, are no longer suitable to the age of uncertainty upon which we are now embarked. We now have to think in terms of conservation. We did not think in those terms before. Our society tended to be very wasteful. It is no longer possible for us to continue that way. There is less margin now for mistakes. As far as governments are concerned, because the level of expenditure and taxation has risen so high—and I speak now of municipal, provincial and federal governments—governments have less room for manoeuvre, whether on the spending side or on the taxation side.

In brief, in my judgment—and I hope it is a judgment which will be shared throughout this house—desirable growth can only be attained by the establishment of stable, underlying conditions which give confidence to the worker, to the consumer and to the investor. I do not think this is a task only for government. This is a task which must be undertaken in a spirit of national endeavour. It is as much in the interests of labour unions as it is in the interests of businessmen or of governments to be able to bring about this new kind of equilibrium.