

Within an evolving Commonwealth, Canada's influence is steadily growing, particularly as an advocate of human dignity, justice and co-operation.

This greater influence has been used by Canada to pursue such critical goals as a more equitable sharing of wealth and opportunity, the enhancement of individual freedom, the conservation of the planet's scarce resources, and the prudent control of nuclear technology.

The post-war period of sustained economic growth conferred great new wealth upon Canada. Productivity and standards of living improved substantially, and the country could afford to provide better economic protection for the sick, the aged, the unemployed and the poor.

But growth produced new sets of problems with which the world community has not yet learned to cope successfully.

High rates of unemployment and inflation are clear signals of the inadequacy of economic strategies appropriate to simpler times. They are also signals of the urgent need for important structural adjustments in the economies of Canada and other industrialized countries. More than that, they are the symptoms of an illness which can be cured only by a readjustment of our values, and by a re-discovery of the merits of self-discipline and fair sharing.

The process of change will require continued consultation with Canadians, so that there may be a shared appreciation of current problems, and a shared acceptance of strategies for the future.

The government publications entitled *The Way Ahead* and *The Agenda For Co-operation* were designed to involve all Canadians in the discussion of how best to adapt to changing economic circumstances.

The changes that are now taking place impose burdens on some Canadians, and the Government remains committed to protecting these individuals.

The Government has recently made new funding proposals to the provinces which will improve the efficiency and flexibility of social services such as the rehabilitation of disabled persons, day care and community development services. The delivery of these services will thereby better reflect varying conditions and priorities across the country. It is hoped that the response of provincial governments will lead to the introduction of a revised Social Services Act during this Session.

The human hardship imposed by the current level of unemployment in Canada is deeply disturbing. It is neither just nor tolerable that in this country there should be so many men and women deprived of the dignity of self-supporting work, unable to meet their financial commitments and plan confidently for the future. It is intolerable that so many are deprived of their right to secure and productive lives, and that their families bear an unfair burden of worry, uncertainty, and deprivation. On a national scale, unemployment now constitutes a very serious obstacle to economic growth.

The benefits of existing government job stimulation programs, such as youth and community employment projects, and direct job creation by government, are visible to all. New

initiatives have also been taken to encourage the mobility and upgrade the skills of the Canadian labour force, and to encourage small business. But more must be done.

To stimulate the expansion of industrial activity and create jobs in the private sector, the Government adopted a number of initiatives in its March budget. The investment tax credit was extended and was also increased in slower-growing regions of the country as a means of reinforcing the regional development policy of the Government. Tax incentives were increased for energy exploration and rail facilities. The dividend tax credit was substantially increased to encourage investment; deductible capital losses were doubled; and businesses were permitted to adjust inventory valuations to partially offset the effects of inflation.

Legislation will be reintroduced to effect these tax reductions and investment incentives. But the current unemployment situation obviously requires further action. Therefore, this legislation will be significantly strengthened to provide further immediate stimulus to the economy and to create new employment. The details of these further initiatives will be announced by the Minister of Finance during the course of the debate which begins tomorrow.

Further stimulus must not be allowed to compromise our objective of continuing reductions in inflation. The Government will continue to exercise responsibility in controlling its expenditures. The continuation of the income and price controls program through the early part of 1978 will help to contain inflationary pressures, but controls on prices and incomes must then end. You will be asked to approve legislation to amend the Anti-Inflation Act to allow an orderly process of decontrol, as well as legislation to create a monitoring agency.

The Government is confident that the outcome of the Multilateral Trade Negotiations now underway in Geneva will be of considerable benefit to Canada. Consultations with the provinces and with the private sector will be intensified, in order to ensure that this benefit is shared by all regions of the country.

In preparation for the new trading environment which Canada will face in the 1980's, the Government will introduce measures in this Session to enhance Canada's exports. Further support will be provided to the private sector in undertaking large capital projects in other countries.

In the continuing implementation of its food strategy, the Government will work with the provinces to ensure a co-ordinated approach to agricultural development, making better use of Canada's food-producing potential.

As part of the Government's consultation process, a National Food Conference will be held. It will bring together representatives of governments, producers, consumers and the food industry to work together toward a national agreement on how Canada's food strategy should be further developed and implemented. New initiatives are underway to provide the consumer with readily accessible information on food prices and nutrition. The Government will ensure that the views of producers,