rolled back to the level of ten years ago. It may be that I am misinterpreting that provision, so I would welcome comments by the hon. member on this specific provision.

We are also told the Authority would be empowered to announce the operative rate of exchange of the Canadian dollar with other currencies for purposes of sales to and purchases from other countries. Unless I am mistaken, the Minister of Finance already has the authority to do so, and the government's choice is now to let the dollar float, a frightening phrase for some people. I feel that a lower valued Canadian dollar versus the U.S. dollar has certain benefits, for our exports in particular. And as long as exports have not resumed a pace likely to boost employment, we should in my view maintain the dollar at a relatively low level with respect to competing currencies.

In summary, I would simply suggest I have reservations, especially in respect of the administrative structure called for in the bill, in the context of the not unfounded criticism of too much government intervention in the management of our economy. I would point out that this legislation includes extremely interesting provisions. And as far as the issue of a guaranteed minimum income is concerned, this has received very much attention from my colleagues. I can assure this House that we will continue urging the Minister of National Health and Welfare (Miss Bégin) to establish as soon as possible a sound, consistent scheme of guaranteed minimum income, and I feel assured that the hon. member's hopes can be filled within the shortest time frame.

**Mr. Irénée Pelletier (Sherbrooke):** Mr. Speaker, first of all I would like to congratulate the hon. member for Bellechasse (Mr. Lambert) for introducing this bill. I have known him since I have the honour to represent the people of Sherbrooke in this Chamber, and I recognize in him a member who has always shown an interest, not only in his riding and in his province, but also in the whole of Canada. On many occasions he has suggested means to solve a number of problems, particularly when it comes to the Canadian economy.

● (1742)

I also wish to say to the hon. member for Bellechasse (Mr. Lambert) that I entirely endorse, like my colleague for Portneuf (Mr. Bussières), several of the measures proposed in Bill C-205. Certain proposals would require some explanation, and the hon. member will surely admit it, because it is not possible to explain everything in a bill.

Mr. Speaker, the hon. member for Bellechasse has introduced a bill which, according to him, will deal with both the inflation and unemployment problems facing our country. He suggests the establishment of an international monetary authority to control prices, profits and capital transfers outside the country for a one-year period which will be considered as a period of national emergency. I think that the extension of controls, Mr. Speaker, may not be the answer to our problems at present. The key to a global decrease in the inflation rate is rather a wise management policy as put forward recently by the minister. I mean that the federal administration must influence the global demand on the economy through its spending powers and regulate the increase of the monetary supply in order to ensure that the global demand is consistent with a diminishing inflation rate, a sustained increase in production and a gradual decline of the unemployment rate. Most hon. members will certainly agree that this is quite different from the proposal contained in Bill C-205.

The demand management policy that I consider wise is that set forth in the report on the economic and fiscal situation tabled on October 20 by the Minister of Finance (Mr. Chrétien) and in recent public statements made by the president of the Bank of Canada. The economic and fiscal situation as described on October 20 reiterates the commitment made by the federal administration to keep the increase in its spending power below the rate of increase of the gross national product. Consequently, Mr. Speaker, we expect that the total expenditures will only increase by 8.2 per cent in the fiscal year 1977-78. This slight increase only reflects in part the new financing agreements in the health and post-secondary education field, and even if one takes that factor into consideration, the increase would still be lower than the expected increase in the gross national product. This decision of the federal administration to keep the increase in its spending power below the rate of increase of the national gross product should alleviate the inflationary pressures and allow a wider margin for the expansion of the private sector. Furthermore, it should in principle somehow reduce wage demands which some observers regard as a significant inflationary factor.

In this regard, I would like to remark that there has been some tightening with regard to finance management within the government, and this is a new development. I feel this is due to the public spending control program. When dollars do not flow as freely, everyone is careful to spend more wisely. I suppose this also applies to provincial and municipal governments. Another factor which makes for efficiency at the provincial level is the new legislation on tax agreements between the federal and provincial governments, passed recently by Parliament and which transfered to the provinces the responsibility for the management and financing of shared cost programs in the fields of health and education. Thus, the provincial governments will be further encouraged in the future to reduce costs, because they will have to manage all their savings themselves instead of sharing half of them with the federal administration.

I do not mean by that that everything is for the best in the best of all possible worlds in the federal administration. But I think that great progress has been made towards a greater efficiency. Clearly, more must be done in the future, but the progress made until now will make it easier to control the growing tax burden laid on the private sector, which will restrict the fiscal component of prices which falls on all citizens. The economic and tax measures related to the March 31 budget will inject, as everyone knows, approximately $1.8 billion to stimulate the economy during the 1977-78 fiscal year, half of it going to the consumers and the other half to the corporate sector.

The portion allowed to the consumers will help promote the growth of consumer expenses, and the one going to the corpo-