

The Government does not intend deliberately to generate slack in the economy in order to combat inflation. Higher production, not lower, is essential to slowing down price advances. The Government does intend to ask all Canadians to join with it in a co-operative effort to achieve by non-inflationary means an equitable sharing among all groups in the community of the fruits of our productive efforts.

In order to increase the supply of goods and services, which is the first objective of the Government in dealing with inflation, a number of measures will be proposed:

- To increase food production—
  - incentives to farmers and fishermen including the stabilization of incomes and markets,
  - continued international action to ensure that Canada has the right to manage its coastal resources and environment, including the conservation of fish stocks;
- To increase construction of homes—
  - financial assistance in order to reduce the cost of serviced land and to encourage land assembly;
- To increase economic productivity—
  - greater financial and other support for small business,
  - continued reorientation of manpower activities so that Canadians are trained and available in the right locations to fill the increased number of job opportunities,
  - amendments to the Unemployment Insurance Act,
  - extension of the Regional Development Incentives Act;
- To increase the supply of energy—
  - the establishment of Petro-Canada, the national petroleum corporation,
  - guarantees for domestic control of uranium and for adequate future supplies related to Canadian needs,
  - steps to ensure that the price of Canadian oil and gas is regulated in a manner which will encourage necessary exploration and development in Canada;
- To ensure continued export of Canadian grain—
  - legislation to ensure the resumed movement of Western grain, if the current dispute has not already been resolved,
  - steps to facilitate grain handling this winter.

In order to help protect those particularly hard hit by inflation, which is another objective in the battle against inflation, the following measures will be taken or proposed:

- To monitor food prices—
  - renew the mandate of the Food Prices Review Board until the end of 1975 so that it may continue to report regularly on trends in food prices and analyze the reasons for price changes in specific areas;
- To help home buyers—
  - additional assistance to buyers of moderately priced housing who have not owned a home before,
  - ask financial institutions to continue to direct all low down payment high ratio mortgages exclusively to moderately priced housing,

- a Registered Home Owners Savings Plan,
- a system of warranties which will protect new home buyers of National Housing Act financed homes,
- better disclosure provisions for the true interest rates on mortgages;
- To protect the consumer—
  - first stage amendment of the Combines Investigation Act, including measures dealing with unfair or uncompetitive business practices such as misleading advertising and pyramid, referral or bait-and-switch selling,
  - a comprehensive overhaul of consumer credit legislation, including disclosure by all lending institutions of effective rates of interest on all loans,
  - a total revision of our bankruptcy law, including special procedures to help the consumer debtor,
  - improved safety of consumer electrical products,
  - establishment of more consumer storefront offices;
- To assist those having difficulty finding employment, and in cooperation with the provinces—
  - a community employment strategy for people who experience chronic and particular difficulty in finding and keeping regular employment,
  - special efforts on behalf of individuals and specific groups who are ready and willing to work but tend to experience particular difficulty in finding regular employment;
- To help older citizens, the needy and war veterans—
  - provide for regular increases in the Year's Maximum Pensionable Earnings in 1976 and subsequent years, revise the Year's Basic Exemption, and eliminate the earnings test on retirement pensions for people aged 65 to 70,
  - provide for the payment of allowances to the spouses aged 60 to 65 of Old Age Security recipients effective October 1975 and eliminate certain hardships involving Canadians absent from Canada for limited periods of time,
  - achieve equity as between provinces in the application of the Canada Assistance Plan in respect of the treatment of youthful offenders in other than welfare institutions, and in respect of the care given needy persons in nursing-homes in provinces that have introduced universal nursing-home care programs, and
  - further increases in war veterans allowances.

The third objective of the Government's policy to combat inflation is to take such specific initiatives in the economy as are required in order to deal with unjustified increases in incomes, prices and profits.

The Government will introduce legislation to deal with unjustified price increases where such increases are identified. This legislation will be designed to ensure that unacceptable profit levels are not being realized.

You will be asked to approve the imposition of an export charge on crude oil and certain other petroleum products to provide compensation for Canadians who consume imported oil and to regulate the price of Canadian hydrocarbons in interprovincial trade, so that all Canadians pay