

## HOUSE OF COMMONS

Tuesday, May 20, 1969

The house met at 2 p.m.

### ROUTINE PROCEEDINGS

#### COMMITTEES OF THE HOUSE

Second report of the Standing Committee on Indian Affairs and Northern Development—Mr. Watson.

[*Translation*]

Nineteenth report of the Standing Committee on Finance, Trade and Economic Affairs, in French and in English—Mr. Gaston Clermont (Gatineau).

[*Editor's Note: Text of foregoing report appears in today's Votes and Proceedings.*]

[*English*]

#### CONSUMER AFFAIRS

ANNOUNCEMENT SETTING UP PRICES AND INCOMES COMMISSION TO INVESTIGATE CAUSES, PROCESSES AND CONSEQUENCES OF INFLATION

**Hon. Ron Basford (Minister of Consumer and Corporate Affairs):** Mr. Speaker, I would like to make a short statement with regard to the Prices and Incomes Commission. Following publication of the white paper on policies for price stability I arranged extensive consultations with a wide variety of representatives of economic interest groups, including the organized spokesmen for business and labour, and with the provincial governments. I also received letters from a great many people commenting on the proposals in the white paper, and I take this occasion to express my gratitude to all those who took the trouble to let me have the benefit of their views. I am glad to report to the house that there was a very broad measure of support for the kind of approach suggested in the white paper.

In the light of these consultations we have adopted the following terms of reference for the Prices and Incomes Commission which I wish to announce today:

The commission will be asked to inquire into and report upon the causes, processes

and consequences of inflation and to inform those making current price and income decisions, the general public and the government on how price stability may best be achieved. The Commission will be authorized to prepare and publish from time to time under its own authority specific reports on:

(a) the results of their studies and investigations of the matters outlined above;

(b) current developments in costs, prices, productivity and incomes in particular sectors and industries within the economy and for the Canadian economy as a whole. The commissioners will be authorized to receive any requests for the conduct of studies on problems, issues and situations made to them by the Minister of Consumer and Corporate Affairs or by any provincial government, but will be free to reject or defer any such request if they consider that the study is not relevant to their main functions or that, having regard to the resources available to them, the study is of lower priority than other studies or inquiries they consider they should conduct.

I am confident that this commission, as it proceeds with its tasks of investigating the inflationary process in Canada and of giving public advice on how we may achieve better price stability, will be able to bring about a greater degree of restraint on the part of those in the private and public sector who are charged with the responsibility of making current decisions about prices and incomes.

I want to emphasize, as we did in the white paper, that this is only one element in the government's policies for price stability. Monetary and fiscal policy are the major instruments the government is relying on. I am however convinced that this commission can make a valuable contribution towards price stability if it gets the co-operation it will need from all interested parties. In regard to fiscal policy, I would remind the house that there will be a budget statement early in June and that the Minister of Finance (Mr. Benson) has emphasized our determination to keep the budget in balance. We have been exercising severe restraint on government expenditures ever since the present administration took office last summer, and as the Prime Minister (Mr. Trudeau)