

*Anti-Inflation Act*

the company complies voluntarily with the board's advice and even if it does not agree that its name be publicized.

In the Toronto *Star* for last Saturday, the chairman of the Anti-Inflation Board was quoted as saying that the board was looking for business volunteers "whom we can hang up in public and chastise" when it releases examples of reductions in planned price increases next week. Assuming he is quoted accurately, then I think the chairman has not taken the best approach. Of course, his words were likely to have been said with tongue in cheek. However, when rulings are published, I believe there should be no more stigma attached to a firm which voluntarily complies with a board ruling on prices than there is attached to a union which voluntarily accepts a ruling on wages.

The purpose of publishing information on price rollbacks is not necessarily chastisement of business but, instead, is confirmation of the effectiveness of the program when it comes to prices. The chairman of the Anti-Inflation Board did not express concern about the sensibilities of groups of workers who have been mentioned in the rulings the board has already published on wages, nor did he express concern about the possibility that they would be looked upon as having been publicly chastised for seeking a wage increase which the board ruled to be above the guidelines.

Protecting the sensibilities of companies is not, in my view, as important as having the board's effectiveness and credibility established to the satisfaction of the general public. In order to maintain its support for the program, the public must be shown that the program is in fact being administered in an even-handed way.

Bill C-89 is limited to dealing with some measures urgently required to make the controls program work more fairly and effectively. However, we have to go much further than this as the months go on. I believe the prices and incomes policy deserves wide support since its objectives are to protect and, in fact, to improve the real income of all Canadians and maintain our competitiveness in international markets. The program has been showing encouraging signs of effectiveness on the price side, judging by the most recent cost of living figures. However, ultimately it is not controls but, rather, greater productivity that will get us out of our current economic difficulties and enable us to achieve these objectives on a long-term basis.

It is through improvements in productivity that Canadians will get improvements in real purchasing power and real living standards. The government and the public alike have come to recognize that the prices and incomes program at best provides a breathing space in which to develop and apply policies to bring about a more efficient and productive economy. We must begin now to consider how we are going to accomplish this. In fact, we must soon move beyond such consideration and begin taking action to improve the productivity and efficiency of our economy.

Improvements in Canada's productivity require the cooperative effort of government, business and labour. But this effort must be spearheaded by federal government leadership in terms of both co-ordination and action. Productivity in Canada, in the sense of output per employee, has been falling in recent years, especially in manufacturing. What are some of the reasons for this decline in productivity? We have had a rapidly growing labour force, but proportionately less of it has been going into manufac-

turing which is high in productivity compared to the service industries.

Investment in plant and equipment has not kept pace proportionately with the growth in the labour force. There is the matter of the state of management skills and the declining amount of research and development done in Canada, as well as the attitude of workers toward their work. Only one of the factors I have outlined pertains directly, and even then not completely, to workers themselves. Dealing with all the other aspects means a direct challenge to and responsibility on the part of government and business.

Productivity has, like the weather, become one of the things that everybody, especially the government, is talking about. Unlike the weather, the government and the private sector can, in fact, do something to improve it. There has been increasing talk by government regarding the need for improving productivity, but so far little tangible action. I believe we should have a national productivity centre to bring together management, labour and government to do research, to identify blockages in efforts to improve productivity and to work out consensus plans for improving it. We have nothing like this as yet. The work of federal government departments and agencies in the field also appears to be minimal compared to the need.

There are a number of areas that require government attention. These include measures to improve techniques to voluntarily resolve labour-management disputes without strikes, measures to improve the physical conditions of the workplace, and techniques for greater involvement by workers in decisions about their jobs and how they are carried out. These, I think, will have a favourable effect on the positive motivation of workers and their attitude to their jobs, and therefore on the quality of their output. There is a great need for government action to reduce the downward trend of research and development in Canadian industry, something which I believe is linked with the continuing high degree of foreign control of our economy; and the latter also requires further government attention.

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There is also the need to review the anti-inflation program to ensure that it gives proper attention to the need to encourage greater productivity on the part of both management and labour. The changes in the anti-inflation regulations announced by the Minister of Finance at the opening of this debate with regard to bonuses and profit-sharing by workers are a step in the right direction. In short, federal government leadership through tangible action is essential to improve Canadian productivity. Let us hope that over the next few months we will see programs of action as well as expressions of concern by governments at both the federal and provincial levels.

In a speech in Vancouver on February 12, the Prime Minister (Mr. Trudeau), speaking of the breathing space provided by the control period, suggested that it be used—  
—to define the kind of society we want, the kind of choices we want to make as a nation and to find the best methods for achieving our goals.

If this period is to be used for this purpose, what is the best way to go about it? I have said on other occasions that there are several alternatives. However, I believe that defining these choices and goals certainly should not be