

of Canada which has done everything it could to date and executed many projects, but which has been unable to co-operate with all the provincial governments in co-ordinating economic development, so as to interest the provinces and their experts there are qualified officials in the federal government departments in Ottawa, but there are also fully-qualified officials in the provincial departments.

I am sure the provinces, for example British Columbia, Alberta, the Maritimes, and Quebec also have officials they would be happy to send to participate in a study of the co-ordination of economic development in the country.

[English]

**Mr. Gilbert:** I should like to ask the minister a question. I am under the impression that the Economic Council of Canada is making a study of prices and the high cost of living. This was indicated in reply to questions by the leader of this party and other members of the committee. Can the minister tell us how this study is going on and whether the council is yet in a position to make an interim report?

**Mr. Favreau:** In my original remarks I referred to the fact that this study was being made, when I mentioned that the new department of the registrar general was being established. The department will be concerned with the status of the economy and steps which may be taken in the context of particular economic policies of this government as they are being developed and, I must add, in the light of recommendations of the Economic Council.

• (3:50 p.m.)

I am not in a position to say whether or not an interim report is expected shortly. I know there is general agreement that this is a very efficient organization and that it should be assumed their work is proceeding at a pace which is consistent with the responsibility they have. In March 1965 the government of Canada requested the council to conduct a broad examination into the relationship of prices, costs, productivity and incomes to a sustained economic growth. A basic study of this nature had not been undertaken previously in Canada and there are significant gaps in information and analyses which must be filled. The council initiated a special program of research and analysis to compile

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information necessary for such a study. Additions to the professional staff of the council and special arrangements to secure assistance of outside experts are being made to carry out research on a number of aspects of this field, including an examination of how the objective of maintaining reasonable price stability has been approached in other countries. I am advised that this study, at least in great part, will be the basis for the annual review of the council.

Item agreed to.

GOVERNOR GENERAL AND LIEUTENANT GOVERNORS

1. Office of the secretary to the Governor General, \$387,100.

**Mr. Macquarrie:** Mr. Chairman, once more I should like to raise a question which I have brought up previously and that is the rationale behind the differential in the salary of the Lieutenant Governor of the province of Prince Edward Island and the lieutenant governors in other provinces.

**Mr. Favreau:** This is a statutory salary passed by this parliament.

Item agreed to.

5. To authorize reimbursement to the lieutenant-governors of the provinces of Canada of the costs of travelling and hospitality incurred in the exercise of their duties up to a maximum per annum for each as detailed in the estimates, \$142,500.

Item agreed to.

DEPARTMENT OF NORTHERN AFFAIRS AND NATIONAL RESOURCES

30. Administration, operation and maintenance including expenditures on works on other than federal property, grants, contributions and special payments including those specified in the sub-vote titles in the estimates, recoverable expenditures under agreements entered into with the approval of the governor in council with the governments of the provinces and territories and with local school boards in respect of social assistance to persons residing on Indian reserves other than Indians and the education in Indian schools of children other than Indian children, authority to make grants and contributions pursuant to agreements entered into with the governments of the provinces or the territories or other groups or authorities approved of by the governor in council for the provision of welfare and other services to Indians and to authorize the Minister of Northern Affairs and National Resources to provide, in respect of Indian commercial activities, for the instruction and supervision of Indians, the furnishing of materials, the purchase of finished goods and, notwithstanding any other act, the sale of such finished goods, \$72,749,500.

**Mr. Aiken:** Mr. Chairman, is the minister going to make a statement?