

*Anti-Inflation Act*

industrialized nations in general, there is little danger of having a new inflationary explosion because of decontrol.

Second, although we cannot put aside the possibility of stock shortages, for instance because of generally poor crops, an oil embargo or a serious breakdown in the trade of a number of basic products, the general conditions of food, industrial raw materials and energy resources supply do not allow us to foresee any major shortage during the next two years. World prices for food, industrial raw materials and energy will probably go up, but at best at a slow pace. It is hardly likely, however, that these products, within the next two years, will be the cause of a price surge similar to that experienced recently.

What is more important is that the inflationary psychosis seems to have been going down considerably since October 1975. The man in the street no longer expects two-digit price or wage increases. Newspapers do not report any more astronomical wage increases which were an invitation to other workers to do the same. According to surveys among industries and consumers, no more rapid price hike is expected. The reduction of the spiral of expectations can be explained by the recent improvements in the control of prices, as well as by the government undertaking to avoid a major increase in the cost of living, through the anti-inflation program.

Therefore, there is a need for a decontrol process which will ensure a steady decrease in the inflation rates and contribute to restore confidence in the future of our economy. This means that we must assess our economic prospects on a realistic basis and take our share of responsibility in the Canadian economic performance. The government has considered the part it could play during the post-control period and set a number of principles to establish the future direction of federal policies. Here are some of these principles: the best way to achieve the Canadian economic potentialities is to ensure a more efficient market economy.

In line with society's expectations, the government is firmly committed to the safeguard of personal freedom, equal opportunities and social fairness. Social policy must protect and improve our evolutive society built up by Canadians without leading to continued government expansion and ongoing erosion of personal freedom.

Our national potential cannot be developed without healthy, dynamic regions. Confederation benefited all Canadians, because the advantages of a larger nation promoted the growth of each and every region. However, remaining regional disparities are a major challenge to our political institutions. Canadians cannot accept those disparities. Federal and provincial authorities have taken a number of significant initiatives. The Department of Regional Economic Expansion is supporting long-term development efforts by the provinces.

Mr. Speaker, in addition to providing a consultation forum, an organization that would monitor economic conditions in respect of their impact on prices and costs would make a major contribution to the improvement of our economic performance. This view is shared both by provincial governments, and certain groups in the private sector, as evidenced by preliminary consultations. In time, the supervising body could exert a

significant, positive influence on prices and revenues, provided its organizational features and objectivity maintained the required level of credibility.

In ending controls, our foremost consideration should be to prevent soaring prices and incomes, which would signal a return to the previous situation. The tangible results of the controls program, namely a much less rapid increase in costs and prices, must absolutely be preserved and reinforced. Finally, the de-control plan must take place in an orderly fashion. An important area in which the public and private sectors both carry the responsibility of economic performance is labour and management relations. If, indeed, it is the government's role to define the legislative and institutional framework in which labour and management may bargain, both sides must ensure that the system is allowed to work. However, in the last few years the level of confidence in labour-management relationship has constantly deteriorated. The degree of acceptance by public opinion of the increased frequency of strikes and lock-outs as well as the various inconveniences and costs that go along with these, is on the wane.

Mr. Speaker, the government expects to raise a public debate on these issues and get some feedback. The increasing uncertainty regarding the date set for de-controls has made it necessary to come to a decision as soon as possible. Therefore, one should consider the possibility of releasing the timing set for de-control by the middle of this coming summer. This decision would take into account the debate and the various reactions generated by this document. Without further delay, the issues at stake should become the subject of a public debate where various comments could be made. Consultations will take place with businesses, workers and other interest groups. The government will also consult the provinces to find out whether during that period it would be necessary to call a new federal-provincial conference of finance ministers. The government is counting on the general participation of Canadians in this debate and will try to devise some ways to achieve that. The government plans on holding a meeting to set a multipartite panel of discussion so as to further the debate on more precise matters, such as the nature of those future mechanisms of consultation and to debate on what the post-control period will be before taking a decision on the timing that will be chosen for de-control.

Once the process and the timing of the de-control plan will have been announced, it will be necessary to resume our studies on the various measures to be taken in the post-control era. We hope that the study of the various consultation mechanisms will be sufficiently advanced to allow those mechanisms to play an important part in the preparation of the decisions to be taken and as to the very precise shape that will have such institutions as the monitoring body and the consultation panel that have been proposed as well as the way they will work during the post-control period.

Mr. Speaker, contrary to the expressed views of the opposition, the Liberal government was not afraid through this difficult period in our economy to face up to its responsibilities and to adopt policies that will enable us to solve our problems.