

*Price Stability*

to be given the responsibility of co-operating with the provinces to secure stabilized prices for clothing, housing, drugs, transportation and basic consumer necessities.

Mr. Speaker, the Prices and Incomes Commission has gone much further than simply co-operating with the provinces. It is doing far more than the NDP is asking in the motion to which I have just referred. We have been co-operating with the provinces. We conducted an extremely successful federal-provincial conference on this program. The commission and the government have gone much further than simply trying to fight inflation by co-operating with the provinces as proposed by the New Democratic Party.

Since its establishment last summer, the commission has given the most urgent priority to seeking the support of various sectors of the economy for a program of voluntary cost and price restraint in an effort to reduce the immediate inflationary pressures. The commission has also embarked on longer-term research into some of the more basic problems posed by inflation. A number of studies have already been started and further studies are in the planning stage. An outline of the proposed research program has recently been made available to the Commons Committee on Health, Welfare and Social Affairs which is examining the estimates of the commission.

There are those who ask: Why is further research needed? Mr. Speaker, when I note in this House and in other places the great divergence of views expressed as to the best means of fighting inflation, it seems to me that the country is still in need of effective research into inflation—someone to provide better answers than we have been getting from the official opposition or from the New Democratic Party.

**Mr. Baldwin:** We just ask the questions; you are supposed to have the answers.

**Mr. Basford:** Undoubtedly, the joint committee will also wish to review the outcome of these studies and to consider such implications as they may have for the development of new national policies for dealing with the problem of inflation. To date, the program launched by the commission following the national conference has been helping to curb inflation by restraining price increases. This price restraint has been brought about mainly at the expense of profits, because a number of companies have absorbed part of their cost increases rather than fully passing them along in the form of higher prices. The program as it stands has no direct restraining

influence on increases in incomes other than profits, of which labour income is by far the most important component.

In the closing statement of the National Conference on Price Stability at which agreement was reached on the current program, it was specified that the groups involved, while "prepared to take an initiative as a contribution to a broad program of restraint", wished to "emphasize that an indispensable requirement for the control of inflation is a comparable measure of restraint by wage and salary earners, by governments at all levels and indeed by everyone".

The response of the trade union movement, given to the government at the annual meeting which took place last month between the cabinet and the major Canadian labour organizations, was entirely negative. With real regret I must express the opinion that no constructive alternatives were put forward on that occasion. If labour has a contribution to make in the fight against inflation, if it has proposals to put forward, it seems to me that a joint parliamentary committee of this House and of the Senate provides the best possible forum for the expression of those views and for their examination by members of this House and of the other place.

In addition, the committee would provide a forum at which management and consumers could state their position, put forward their views and be examined and cross-examined. I hope that on further consideration the labour movement of Canada will take a more positive approach in the longer-term interest of the country as a whole and of organized labour itself.

The government believes that the fiscal and monetary restraints which it has adopted will gradually serve to restore reasonable price stability. The program of voluntary price restraint launched by the Prices and Incomes Commission will, as I said a few minutes ago, to the extent that it is successful reduce the adverse side-effects on unemployment of the fiscal and monetary restraints.

There are already a few encouraging signs that these policies are beginning to moderate the rate of inflation in Canada. I am sure all members of this House, appreciating the impact of inflation especially on those living on low and fixed incomes and the suffering it creates, will join with me in hoping that these early signs are not misleading and that we can, in fact, hope to see a real turn-around in the economy. The greater the success of the supplementary prices and incomes program in

[Mr. Basford.]