

5. The government should always make it absolutely clear how its own proposals follow a pattern of rigid restraint. For instance, in dealing with collective agreements within its own jurisdiction whether it is directly or indirectly involved, it should take full advantage of the opportunity to demonstrate its policy convictions. When there are special circumstances these should be fully explained to the public.

6. The Committee feels that the technique known as moral suasion used recently by the Federal Government in selected industries (copper and transportation) should be more widely used in Canada to secure price roll-backs in key sectors of the economy.

7. We are hopeful that the Prices and Incomes Commission and the Federal Government will be able to secure the cooperation of labour, business and governments to accept restraints. We also think that policies of price restraints, which would affect profits, and wage restraints should be matched by voluntary limitations on professional fees, other service fees and dividends.

8. Having in mind the control of inflation in the future, the Prices and Incomes Commission should be urged to:

- (a) Publish a quarterly or even monthly concise statistical report with brief interpretive comments relating to short-term economic conditions, with emphasis on prices, costs and employment.
- (b) Stand ready to offer impartial advice on wage and price matters when asked to do so by conciliation and arbitration board chairman, price setting commissions, combines investigation authorities.
- (c) Establish short-term indicative guidelines relating to wage and price increases, and publish data showing how various sectors are behaving in relation to them, so as to enable public opinion to be better informed.

9. Because of the enormous importance of service industries to our economy and the fact that they are increasing their proportion of G.N.P. each year, we urge the Economic Council of Canada to undertake a special study of the long-term implications of the dynamic growth within the service industries with special emphasis on wages, prices and their inflationary propensities.

10. We think a Parliamentary Committee empowered to hold hearings on wage and price increases would play a useful role in focussing public attention on industries and unions which appear to be insensitive to the public interest.

11. We think that the instruments of fiscal policy need to be expanded. We support the Federal Government's efforts to establish detailed priorities based on forward-planning and urge them to expand their program on a joint planning basis with the provinces. Specifically:

- (a) Joint planning on a medium term basis by the federal and provincial governments is needed to establish spending priorities. These forecasts should be published each year for the ensuing four-year period.
- (b) The same approach should be extended to capital programs and construction, excluding housing, so that such programs might be used as an effective anti-cyclical device—accelerated in times of slowing economic activity, postponed in times of growing inflationary pressure. In the Committee's view the housing program