

only place where there is anything about them is on the financial pages, and hardly anyone reads the financial pages. Steel is not as susceptible to that public pressure that you spoke of with respect to other commodities.

Again, I would like to know what is the difference, and why price controls would have a more devastating effect with the guidelines policy you suggest, if you are anticipating the guideline policy to be effective in controlling prices.

Professor NEUFELD: Let me say, first of all, that the difference between your own feelings and mine is that I am less pessimistic about the possibility of public opinion having some influence back of the retail level than you are, and I have suggested in my comments that one of the problems has been that the public has not been given the information for it to form intelligent opinions. You are quite right when you say that the only place you hear about things such as the steel price indexes is on the financial page, and you ask who reads it. I would say that the logical conclusion to this is to give the public something it can see and will see in a new form. I would prefer this approach before I would simply go on to the conclusion that you cannot rely on public opinion and that you must impose a degree of restriction on the economy.

Mr. CAMERON: But I would point this out to you, Professor Neufeld, and I would like your answer. No matter how agitated you might manage to get the general public on the questions of steel prices, and so on, on the economy, the fact remains that those industries are not susceptible to the sort of pressures, because they are not meeting every day with the public, they are dealing with selected elements in our economy. I do not see how they can be affected. They cannot be frightened by the attitudes of the public.

Professor NEUFELD: They might be frightened in certain industries if the tariffs, for example, might come down.

Mr. CAMERON: I am in full agreement with tariffs coming down.

Professor NEUFELD: I do not put forward the contention that public opinion is the only thing by which this might be done, but I do think that we are in disagreement in degree essentially, because I think it would be worth while seeing what would happen if public opinion were given a chance.

Mr. CAMERON: On the other hand, your very advocacy of guidelines to be issued by some public authority indicates that you have not very much faith in public opinion.

Professor NEUFELD: No, quite the opposite. I think that the very existence of guidelines will make public opinion more intelligent, because if the guidelines say that certain price increases and certain wage increases make sense, and certain others do not, it is very easy for the ordinary man to relate that simple fact to what in fact is happening. One of the interesting things I have noticed since the publication of the U.S. guidelines is the frequency with which the 3.2 per cent productivity figure has appeared in articles by financial columnists and other columnists, and read by people who would never before have encountered the concept of productivity. So I think this is a case where the guideline has served the purpose of making public opinion more intelligent than it was before.

Mr. CAMERON: Perhaps the automobile companies will settle the argument in a few days, Professor Neufeld.

Mr. ALLMAND: Professor, you said we are no longer in the horse and buggy stage so far as our economic ideas are concerned, that we have a lot of valuable tools and information that can be used to combat recession and inflation. Do you think these tools can be used effectively in the Canadian constitutional structure, from the figures that were given to us yesterday, for example, comparing federal revenue and expenditure with provincial and municipal. I refer to page 2 of Table I. For the last few years the federal Government has had very large