

The Budget—Mr. Sharp

could have expected something better than we heard yesterday, which was a philosophical dissertation on the evils of inflation and how there must be a better way. I sympathized with him as I listened. It is tough to move from being an academic into the realities of public office. I hope that some day my hon. friend will make the transition, because he did not get very far yesterday. All I learned yesterday is that the hon. member is worried and concerned about inflation.

I am sure he is concerned. The Leader of the Opposition (Mr. Stanfield) is concerned. The Minister of Finance is concerned. I am concerned. The Prime Minister (Mr. Trudeau) is concerned. We are all concerned. We do not need to be told, in this House of Commons, to be concerned about the problems of inflation. What we want to know is what the answers are. The hon. gentleman, in the tradition of the opposition, said, "I am not going to expose my ideas and be torn apart, the way I am tearing the ideas of the Minister of Finance apart. Not for me. I am going to reserve my position." I say to the House through you, Mr. Speaker, that that is not good enough under these circumstances.

Let me give the hon. gentleman a word of advice. I agree with him that inflation is going to be an important issue in the forthcoming election, if one is called soon. The people of Canada will want to know what his party would do about it. They are not going to be satisfied that he is concerned and worried, and they are not going to be satisfied that the Leader of the Opposition is concerned and worried. They want to know.

These are some of the questions they would like to have answered. Would the Tory Party freeze wages or would they control wages and, if so, how? Would they freeze prices? Would they control prices and, if so, how? It is not good enough, I suggest to my hon. friend from Don Valley, to talk vaguely about an incomes policy. He and I both know an incomes policy can mean anything or nothing. Let me therefore go into the position of the Tory Party as it has been revealed in the past, to see if we can get any clue as to what that party would do given the responsibility of office.

At about the time the Leader of the Opposition took over the leadership of the Conservative Party he seemed to press for the acceptance of price and incomes guidelines for all sectors of the economy, on a voluntary basis. Then on January 31, 1971, speaking at the Agudath Israel's Men's Club, he said that there is—

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—a lot of loose talk about wage and price controls—even cabinet ministers are mentioning it these days—as the answer to price stability for Canada.

That was the position of the Leader of the Opposition back on January 31, 1971. Then he said this about such controls:

They would cause untold resentment among groups and individuals who felt unfairly done by, and they would result in a climate of constant confrontation. In addition, of course, they would inevitably lead to a highly centralized, and therefore inefficient, form of economic planning.

That was the position taken by the Leader of the Opposition.

[Mr. Sharp.]

Mr. Paproski: Yes, but the inflation rate then was 2 per cent.

Mr. Sharp: Let us turn to the position taken by the hon. member for Don Valley at that time. He wrote an article which was printed in the *Toronto Telegram* in April, 1971, in which he said he did not believe that wage and price controls were "effective anti-inflation measures". He warned that they "would create far more problems than they might solve", were extremely difficult to administer, could only possibly be effective if they were applied over all segments of the economy and were widely accepted. Furthermore, he asserted that controls "inevitably bring rationing".

Now we go to the summer and fall of 1972. The Leader of the Opposition switched his position. I do not think the hon. member for Don Valley would deny that he, personally, sold his leader and his party on a switch in policy, on a switch involving abandoning the position advocated earlier in favour of price and wage controls. So the Leader of the Opposition asserted in the federal election campaign of 1972 that a Tory government would have the courage to impose price and income controls for a temporary period if circumstances made such a course necessary.

On February 8, 1973, 11 days before the introduction of the budget, the hon. member for Don Valley acknowledged, in replying to a question, that controls could only be adopted on the basis of a national emergency and he did not think that one existed. Two weeks after that, after asserting that a national emergency required the imposition of controls but that an emergency did not exist, the hon. member for Don Valley rose in the budget debate to say on behalf of his party that a 90-day freeze should be imposed, and under a Tory government would have been imposed, on "wages, prices, dividends and incomes". During that 90-day freeze, a Conservative government would have consulted with the provinces, labour leaders and business and consumer groups "to work out an economic stabilization program that would achieve controlling the price rises in this nation".

In the same budget debate, the Leader of the Opposition suggested that his party was proposing only a temporary program of controls. But the hon. member for Don Valley did not take that position. In debating the motion on May 10, the hon. member indicated that he was proposing more than a temporary measure. He said it had become evident within the past two or three years that there was a series of power groups in Canada who did not respond as they should in a properly competitive market. He said his party believed that "an incomes policy has to be an integral part of our monetary and fiscal policy if this country is going to operate with full employment and reasonably stable prices".

Mr. Gillies: That is true.

Mr. Sharp: So, what is the position of the Tory Party on the crucial issue of controls?

Mr. Guay (St. Boniface): It is wishy-washy.

Mr. Sharp: The conclusion I have come to is this: the establishment wing of the Tory Party—I do not know which part of the country it exists in; I know it does not