

The hon. member replied:

No, I'm not suggesting that.

Was the member really criticizing the Minister of Finance (Mr. Turner) for not introducing an emergency measure to deal with 5 per cent inflation? Was there any need for it at that moment?

Mr. Baldwin: As long as you stay over there, there is an emergency.

Mr. Gillespie: The hon. member for Don Valley assured the viewing public, "No, no". I can understand that even if there has not developed a critical national emergency to justify the sudden conversion of the hon. member for Don Valley and other members of his party, there has at least developed a critical political emergency among Conservatives recently, one that apparently drives them to desperate last resorts. The extent of their desperation may possibly best be measured by the extent to which they have reversed their positions over the past several months.

Let me remind hon. members of some of the positions taken by leading spokesmen of the Conservative party. In a column in the *Telegram*, a newspaper that used to exist in Toronto and to which the hon. member for Don Valley contributed—I am not saying that had anything to do with its demise—he told his readers that he did not believe that wage and price controls were effective anti-inflationary measures.

Mr. Gillies: What date?

Mr. Gillespie: April, 1971.

Mr. Gillies: Two years ago.

Mr. Gillespie: Furthermore, he warned they would create far more problems than they might solve.

Some hon. Members: Oh, oh!

Mr. Gillespie: I can understand the lack of interest of members opposite in being reminded of some of these remarks. He said controls were extremely difficult to administer and could only possibly be effective if they were applied to all segments of the economy and were widely accepted. In addition, he wrote:

—price and wage controls inevitably bring rationing. Once the price for a particular product is fixed, the only way it can be distributed among all the people who want it is through some such system.

It was just over two years ago—it seems like yesterday—that the government and the public were being sternly lectured by the Leader of the Opposition. I want to recall his words at that time. He complained:

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

I put these things on the record because it is obvious the Conservative party looked at these techniques and rejected them until the desperation of their political situation and frustrations caused them to reverse their position.

Mr. Baldwin: That was five budgets ago, Benson's three and Turner's two.

The Budget—Mr. Gillespie

Mr. Gillespie: I wish to remind hon. members of the statements they made on this particular subject. I again quote the Leader of the Opposition.

Mr. Nowlan: What date?

Mr. Gillespie: It is roughly two years ago.

Mr. Alexander: Things have changed.

Mr. Gillespie: He was talking on a question of principle, and I do not think the principles of the Leader of the Opposition change that quickly. He said:

It is important for us to recognize the far-reaching implications of such controls, which, by their very nature, could be nothing better than a short-term solution, taken as a final resort after all other means failed.

• (1510)

An hon. Member: We agree with that.

Mr. Gillespie: What would be the consequence of controls? Let us listen to the Conservative leader. He said:

They would cause untold resentment among groups and individuals who felt unfairly done by and they would result in a climate of constant confrontation.

Mr. Stanfield: These are continuing controls.

Mr. Gillespie: These are the positions, Mr. Speaker, that the hon. Leader of the Opposition took.

Mr. Stanfield: The minister is not talking about control at all. He is quoting me absolutely out of context.

Mr. Gillespie:

in addition, of course, they would inevitably lead to a highly centralized and therefore inefficient, form of economic planning.

Mr. Stanfield: That's right.

Mr. Gillespie: Only last September the Premier of the Conservative government of Ontario was warning the Canadian Chamber of Commerce of the difficulties of achieving consensus in support of controls. He said that once launched, controls reshape the economy to the extent that the consequences of their ultimate repeal are very difficult to forecast and indeed may be quite hazardous.

I should emphasize, Mr. Speaker, that the government has never ruled out the possibility that price and wage controls might become necessary as a last resort to curb an inflationary spiral that seriously threatened the well-being of the nation. Indeed, despite the criticism of the Leader of the Opposition, the government a long time ago undertook the planning of a control system as a contingency measure.

An hon. Member: If we suggest it now, you will accept it tomorrow.

Mr. Gillespie: We recognize that inflation is a serious problem and in the budget we propose a number of important measures to help moderate the risk of rising prices and incomes. We do not believe that all the present circumstances, taken together, are sufficiently critical to justify the state interfering so drastically in the economy