

with the provinces a domestic and export pricing structure directed toward three objectives: first, to protect the Canadian consumer; second, to encourage producers to explore and develop our non-conventional and frontier resources; third, to give the producing provinces a fair return for the value of their resources.

In insisting upon a federal share of the increased revenue deriving from higher oil prices, this government is not trying to stake a claim to provincial resources. Neither are we quibbling about the specific pricing and taxing mechanisms to be employed. But we are insisting that the government of Canada be allowed to discharge its duty to all the people of this country.

Where there are actual or potential conflicts between the interests of the producing companies and individual consumers, or between the producing and consuming provinces, there is a clear and fundamental obligation of the federal government to intervene in the over-all national interests. To intervene effectively we must have the financial capacity to direct the economy toward national goals and to spread the burden of higher prices evenly across the country.

Some hon. Members: Hear, hear!

Mr. Trudeau: I do want to lend emphasis to that point, Mr. Speaker, because I think that many of the Canadian public, both on the producing and consuming side, have been led to see in this a quarrel of jurisdiction over natural resources. That is not the way we view the case and we are not using constitutional arguments in order to make a grab at anything. We are just explaining to the Canadian people what could be the effects of the oil crisis which exploded in the Middle East and which had dire consequences for the economy of the world. Here I would use the words used by the Leader of the Opposition just half an hour ago when he was talking about the effect upon world economies of the present situation. He referred to the deleterious effect.

• (1630)

Mr. Stanfield: It was longer ago than that.

Mr. Trudeau: I stand corrected; it was longer ago than half an hour: obviously, the Leader of the Opposition used that phrase earlier in his speech. Nevertheless, the point is the same. This is not a jurisdictional quibble. This is a duty discharged by the government of Canada to ensure that the kind of disorder and disruption, which has been brought upon the economies of many nations which could not find within their own borders policies to stabilize the impact of disruptive prices, does not take place in Canada. Canada does have power to avoid such disruption and it is in the discharge of its duty to manage the whole economy and to keep inflationary pressures down—this was eloquently pleaded by the Leader of the Opposition—that we are stating the oil policies which have been made known to the Canadian people.

If we abandon our duty in this regard, the alternative would be massive economic disruption leading to much more severe inflation, unemployment and regional disparity. In this regard, Mr. Speaker, we know our duty and we will not retreat from it.

The Address—Mr. Trudeau

Some hon. Members: Hear, hear!

Mr. Trudeau: Our food production policy will encourage the farmer and the fisherman to increase and improve the supply of those foods which we can produce efficiently and economically in Canada. By working toward the stability of prices and incomes we will be helping our consumers, and we will also be giving to our producers the security they need to get on with the job of growing as much as they can for our domestic and export markets and for our foreign aid programs. The Leader of the Opposition made an eloquent plea for those programs at the beginning of his speech. I indicate to him now, again, that we are in agreement with him, although I am not sure from which side the ideas were stolen.

It is the cause of inflation that we are dealing with, not just the effects. Hence, we on this side of the House have earned the right to be suspicious of simplistic palliatives such as wage and price controls which attack the symptoms rather than the illness. It has been demonstrated in the United States and the United Kingdom, for example, that price controls, while offering some temporary relief to consumers, had the far more serious and damaging effect of drying up the sources of supply. The result of such controls has been a temporary fixed price for scarce and sometimes unobtainable products, followed by a surge in price when the controls are inevitably lifted.

I had a quotation from Mr. Nixon who is reported by the press as having said that price and wage controls had been found wanting. However, rather than quote authorities which I understand are rejected by the Leader of the Opposition—

Mr. Stanfield: Do you need a good tape?

Mr. Trudeau: —I am tempted to recall what I think must be the earliest joke I ever heard. The story involves a lady who went into the grocer's and asked if she could buy a pound of bananas. She was told they were 25 cents a pound; I believe those were the figures used in my childhood. She complained that down the street bananas were selling for 20 cents a pound. When asked why she did not buy her bananas down the street, she said, "They are all out of bananas." The grocer then said, "When I am out of bananas, I sell them for 15 cents a pound."

Some hon. Members: Hear, hear!

Mr. Trudeau: It is a simplistic story, perhaps the earliest one I recall and probably the earliest which I was able to understand. However, simplistic stories serve to illustrate simplistic solutions and to underline them.

It is the necessity for flexibility in a period of rapid economic change which makes me dubious about the across the board, blockbuster type of controls suggested by the Conservative Party. Blockbusters are practical instruments if you have a block to bust. The problem is that inflation is not a homogeneous block. It is a shifting mass of moving and competing factors, all of which are not amenable at the same time to any single corrective action.

I much prefer a system such as we have been using during the past many months: selective measures applied to selected goods and services in different ways and at different times as the occasion warrants. It is a sensitive