

and wage controls. That experience taught me some things about price and wage controls that I would like to speak about.

It taught me certain unforgettable lessons about the kind of conditions that are necessary for the successful application of any form of wage and price controls. The two criteria that are of the utmost importance, if there is to be a successful price and wage control, are simplicity and a high degree of approval from the public generally. During wartime when we had an over-all system of wage and price controls every housewife was an enforcement officer. The reason for this was that all that she had to report was whether any price had gone up because by definition under the system of wartime price and wage controls any increase in price was illegal, so that all that a housewife had to do was to report to the local officer of the wartime trade board that someone had broken the price ceiling.

The second factor was strong public support, in other words, the whole of the country was behind the government in its war effort and therefore supported without any qualification the efforts that were made to take any inflationary element out of the wartime situation. Any other efforts that have been made in peacetime to apply over-all price and wage controls on any other basis than that of imposing a ceiling have more or less failed, some of them dismally, some of them comparatively. Indeed, the world is littered with the debris of wage and price controls that did not work.

● (1450)

There are many things in the world that have not worked, and it is not surprising that wage and price controls should not have worked in some cases, indeed in all cases. Perhaps you might say the effort was worth making, but regrettably the efforts made to apply wage and price controls in peacetime have more than failed. Invariably they have been counterproductive. They have not only failed to stem the increases in costs and prices but they have been counterproductive in the sense that they have reduced production.

We have had two recent examples of efforts to apply over-all price and wage controls, one in the United States and one in the United Kingdom. We in Canada have experienced the results of the efforts to apply price controls on farm produce in the United States. We have not yet quite overcome the damage caused by these abortive attempts which resulted in the liquidation of cattle. Only today we listened to my colleague, the Minister of Agriculture (Mr. Whelan), announcing one of the measures we have had to take, which traces its origin back to the abortive attempts made to try to control artificially the prices of cattle and meat.

If we look at the United Kingdom we see a different phenomenon there. We see an attempt to apply controls to wages that resulted in a tremendous over-all reduction in production. Indeed, a government collapsed over an effort to put into effect a system of wage controls that did not have the universal kind of acceptance that is necessary if these kinds of controls are to work. To my friends in the Progressive Conservative party I hope this is a lesson

### Price Control

about what happens when efforts are made to try to apply this kind of system in peacetime.

As the Prime Minister (Mr. Trudeau) said previously when talking about this matter, and I quote from page 36 of *Hansard* for February 28:

It is less than honest to dwell expansively on the pleasant prospect of fixed consumer prices, while at the same time diverting attention from the not so pleasant prospect of fixed incomes. It is less than honest not to tell the public that wage controls have their own set of injustices, that they apply most inflexibly to blue-collar workers whose pay can be easily monitored, and most flexibly to white-collar workers who can be given a salary increase under the guise of an artificial job reclassification.

Surely, the lesson we can learn from Britain is what happens when there are groups of people who believe this, whether it is true or not, and it underlines the point I have made that only a system that has widespread, indeed virtually universal support, has any chance of being successful. Yet the Official Opposition continue to advocate a system of over-all controls.

Of course, they put in qualifications. When difficulties are pointed out to them they then begin to make their qualifications. So that one is not quite certain what the views of the Official Opposition really are on this question.

It reminds me of an onion. You keep peeling away at the onion. You take off skin after skin, and finally there is nothing there.

**Some hon. Members:** Hear, hear!

**Mr. Hellyer:** Like in the next election.

**Mr. Sharp:** Except, Mr. Speaker, that if you sit on the other side you have tears in your eyes.

**Some hon. Members:** Oh, oh!

**Mr. Papproski:** Who writes your stuff, Mitch?

**Mr. Sharp:** I regret to say I did not have a speech prepared for me, and so I have to make one of my own today.

**Some hon. Members:** Hear, hear!

**Mr. Papproski:** You are much better at pianos than jokes.

**Mr. Sharp:** The resolution before the House comes from a party that, like the government, has rejected the concept of over-all wage and price controls. It calls on the government:

—to consider the immediate introduction of legislation designed to control selectively the prices of essential commodities and to give either to the Government or to a Prices Review Board the power to roll back unjustifiable price increases.

This is a different proposition and one that is more difficult to deal with in the way in which I have dealt with over-all wage and price controls because its terms are not very well defined. This is a system that is not defined in any way. It refers to selective controls. We are told what those are to be. We are not told what the essential commodities are, but somebody is to be given power to deal with them. I would like to address myself to this particular proposition.