

fleeting and temporary advantages at the risk of heavy, long-term damage to the economy as a whole.

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

**Mr. Stanfield:** You will adopt any policy to stay in office.

**Mr. Turner (Ottawa-Carleton):** There is one school of thought that for a period of many months has sought to persuade Canadians that the magic "something" that would waft away the international inflationary pressures besetting our economy was the imposition by the government of a freeze on all prices and incomes, followed by some undefined system of continuing controls for an indefinite period of time. The hon. gentleman today did add a little more precision. With every speech there is a little more precision.

**Mr. Stanfield:** I added no precision.

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

**Mr. Turner (Ottawa-Carleton):** Then he said, in response to an interjection from the Prime Minister, that of course he was exempting food at the farm gate, whereas the hon. member for Don Valley (Mr. Gillies) admitted in debate that if you are going to try to control food prices at the wholesale or retail level there is no way in which you could avoid controlling the price of food at the farm gate.

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

**Mr. Gillies:** Would the Minister of Finance (Mr. Turner) give me the source of that quotation?

**Mr. Turner (Ottawa-Carleton):** I will indeed, but I must confess to the hon. member that I have great difficulty in sorting out his opinions pro and con.

**Mr. Bell:** Put up or shut up.

**Mr. Turner (Ottawa-Carleton):** I hope you will give me some extension, Mr. Speaker, in view of all these interjections.

**Mr. Stanfield:** The rules apply to everyone in the same way.

**Mr. Turner (Ottawa-Carleton):** The Conservative party, once as vehement an opponent of this school of thought as any to be found anywhere in the country, became a late convert only last February. I hesitate to say that political motivation was behind that conversion.

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

**Mr. Turner (Ottawa-Carleton):** Since that time, the Official Opposition has been pressing its proposal for the imposition of a wage-price freeze in Canada at every opportunity, with all the convert's typical zeal. Unfortunately for the Conservative party and fortunately for the country, the number of Canadians who still believe that a general freeze control program is the proper remedy for the kind of inflationary problem we are facing in this country at the present time has drastically reduced within recent months to a corporal's guard.

### *Cost of Living*

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

**Mr. Turner (Ottawa-Carleton):** I seem to recall that when President Nixon announced his reimposition of a 60 day freeze in mid-June, the hon. member for Don Valley told an interviewer that he was thinking of moving a motion to have the House of Commons congratulate the President of the United States.

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

**Mr. Gillies:** I appreciate this attention, Mr. Speaker, but I would appreciate it much more if the minister would give the sources of his particular quotations.

**Mr. Turner (Ottawa-Carleton):** I want to assure the hon. gentleman that like everything else referring to the president it is on tape and we will be able to reproduce that.

In fact, nothing has more discredited the idea of a price freeze under existing circumstances than the action taken by the U.S. administration which led to a drastic cutback in the supplies of many products, particularly food products, and resulted in a further very sharp increase in the prices of many goods, especially meat. On June 28, the *Wall Street Journal* reported in a lead article:

The nation's food production machinery is starting to grind to a halt under Phase 3½.

The adverse consequences inevitably made themselves felt severely here in Canada as well as in the United States, and are still being felt. President Nixon himself acknowledged the seriously adverse effects of the freeze on July 18 when he asserted on television:

The freeze is holding down production and creating shortages which threaten to get worse, and cause still higher prices, as the freeze and controls continue.

I would be interested to know, as I am sure many Canadians and members of parliament would, whether the hon. member for Don Valley is still thinking of moving a motion to have the House congratulate the president on following the policy which he and his party continue to advocate.

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

**Mr. Turner (Ottawa-Carleton):** Let us compare the results. Over 20 months since the United States control period instituted in November, 1971 to July of this year, consumer prices rose at a seasonally adjusted annual rate of 4.8 per cent in the United States compared to 6.4 per cent in Canada. This comparison is probably not particularly unfavourable, given Canada's greater involvement in world trade and the relatively much stronger performance of the Canadian economy for some years prior to the introduction of the U.S. control system. Most members of parliament are aware of the fact that whereas only 4 per cent of the gross national product of the United States depends on foreign commerce, about 25 per cent of our GNP depends on foreign commerce. We are more vulnerable than they are to international price movements. During the six months period since phase 3 was adopted by the U.S. between February and July, the adjusted annual rate of increase in consumer prices has been virtually identical, 7.3 per cent in the United States and 7.6 per