

formance in Britain. Between November 1971 and September of this year, the price of consumer commodities other than food – but including housing – increased at an annual rate of 2.3 per cent in Canada compared to 3 per cent in the U.S. – an advantage that was offset by a 4 percent rise in Canadian service prices as opposed to 3.4 per cent in the U.S.

As I have already indicated, the major problem on the price front in Canada in recent months has involved food costs. As we all know from our own experience, food prices are highly volatile and they often swing sharply up and down from month-to-month. They are also the kind of prices that are least amendable to controls, which is evident from the fact that both the U.S. program and that proposed in Britain specifically exempt a number of important food items from any form of restriction.

Price and wage controls are sometimes regarded as a panacea for every economic problem. But the fact is that when people talk about such controls they are often thinking in terms of controlling somebody else's prices and somebody else's wages – never their own. To have any chance of working effectively, the imposition of controls must be supported by an overwhelming national consensus in favour of them. During the last war, the price and income restrictions administered by a vast federal bureaucracy worked because most Canadians accepted them as necessary to get on with the job of securing

victory. I see no evidence of any similar consensus existing in Canada at the moment among the public generally nor among the provincial governments, whose co-operation would be essential for the successful operation of any control program.

As many of you are aware, the Government several months ago considered it prudent to undertake an extensive study of possible control programs as a matter of contingency. But I would like to emphasize that should not be taken as evidence the Government is committed in any way to their adoption, nor that we consider controls to be inevitable.

Even if controls were adopted, however, it should not be supposed – as some suggest – this would provide us with unlimited freedom to push the economy forward at breakneck speed in an effort to bring about a swift and massive increase in production and employment. No system of price and wage controls could possibly work without a responsible fiscal and monetary policy to back it up. You may have noted that the British Government's recent decision to establish a wage-price freeze was followed by some tightening of monetary policy. If nothing else, the lesson to be learned from other countries which have ignored this fundamental principle is that such a course is dangerously self-defeating, threatening to cause a breakdown in the whole control system and an explosive new round of price and wage increases....



#### CHRYSANTHEMUM SHOW

Wendy Scobie, Miss Agriculture 1972, was at the opening of the annual Agriculture Canada Chrysanthemum Show recently. This is the sixtieth year for the popular autumn show, held at the Central Experimental Farm in Ottawa, where more than 2,500 pots of 'mums were especially grown for this year's show. Some 120 varieties were on display, including 11 new varieties.