



Bulletin

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WAGES AND PRICE CONTROLS REJECTED

The following passages are from an address by Finance Minister John N. Turner on November 16 to the second annual Canadian Institutional Investor Conference in Toronto:

...Just ten days ago, Statistics Canada reported that during the third quarter of this year there were 76,000 vacancies for full-time jobs. This was an increase of 64 per cent over the second quarter of this year, and was nearly twice the number of full-time vacancies in the same period last year.

It should be pointed out that there is no way any meaningful comparison can be made between the number of Canadians estimated to be unemployed at any given time and the number of job vacancies, because the yard-sticks that are used to measure each series are very different - as Statistics Canada repeatedly makes perfectly clear in its reports. What is significant is the individual trend of each set of numbers and the trend quite obviously has been toward rising unemployment at a time when the number of job vacancies has been growing rapidly. I am far from certain what conclusions should be

drawn from this paradox. But it is evident that the unemployment statistics are in part a reflection of the kind of employment a growing number of Canadians today are prepared to accept and of the alternative sources of income available to them while they are waiting for just the right job in just the right place.

The increase that has taken place in the cost-of-living in recent months is another element in the economic picture that leaves no room for complacency. Briefly, the facts are that the rise in Canadian consumer prices has been significantly lower than that in all of the major European countries, and, from November 1971 to June of this year, was in line with the increase in United States consumer prices.

CONCERN OVER FOOD COSTS

Between July and September, food prices increased sharply in Canada and considerably more than in the U.S., largely because of the effect of the weather in reducing Canadian crop production. And even though food prices declined last month, the level was still well above that in June.

The upsurge that took place in food prices during the third quarter was naturally a cause for concern and prompted renewed pressure from some quarters for the adoption of various measures to hold down the cost-of-living, up to and including the adoption of full-scale price and income controls.

I suppose that those who advocate the adoption of controls will be reinforced in their conviction by the decision of the British Government to establish a wage-and-price freeze of at least 90 days. But I am firmly convinced that up to the present time developments neither at home nor abroad justify such action here in Canada and no such action is contemplated.

Over the past several months, the performance of Canadian consumer prices other than food has continued to match that in the U.S. and has been substantially better in every sector than the per-

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