

Well, the point is that it doesn't resemble it at all. You will recall that they were in favour of compulsory, statutory price and wage controls, they wanted a law which would freeze everything and control everything. We have taken exactly the opposite approach.

That was in May of 1975, only five or six months ago. The Liberals did take the opposite approach at that time, the Prime Minister might have added in his statement, wasting the eleven months since he had bamboozled the Canadian people into electing him one more time. On June 8, 1974, he said "hocus-pocus" when describing the same Conservative prices and incomes policy. In a speech delivered in Oakville, Ontario, he sneered at what he said was a price and wages policy and went on to ask, "Why doesn't Davis control the price of houses?"—little guessing that not much more than one year later he would proclaim his own government's prices and wages policy and not foreseeing that control of the price of housing would not be one of its strong points. "I am told that labour leaders in Canada won't accept price and wage controls", he went on, arguing so persuasively that possibly even he believed it at that time. He also asserted that people in managerial positions could easily be reclassified so that they could obtain increases despite controls.

Speaking in Vancouver on July 3, 1974, less than a week before the election, the Prime Minister laughed at the program of controls advanced by my party. "Food is out," he cried, "imports are out . . . housing is out". These words must have sounded like something black and cawing even at the time, for a woman answered from the audience "And you're out". Unfortunately, he was not turned out; he stayed in. The Prime Minister was ingenuous in finding excuses for sidestepping wage and price controls. Apart from the difficulties already mentioned, he cited the unhappy experience of controls which our country had during the Second World War, controls which, as he said:

—even with the motivation of a national emergency . . . meant thousands of bureaucrats running the economic decisions of millions of Canadian . . . blackmarketeering and the court cases that went with that . . . and illegal strikes and government intervention into even the smallest sectors of the economy.

That little bit of sophistry went winging into the annals of Canadian politics as recently as May 23, 1975. But the Prime Minister's strongest argument against anti-inflation controls—and no doubt the only one he relies on now—was that the inflation experienced in Canada was a "good" sort of inflation, not like that nasty kind that simultaneously affected the United States, France, Great Britain, Italy, Japan and dozens of other nations around the world. According to *La Presse* of June 13, 1974, he believed, and he still professes to believe that in Canada—

[Translation]

Part of the increase is due to the rise in the prices of imported products and another part to the rising food prices following an increase in demand. Inflation is a worldwide problem and the situation in Canada is better than in some other countries, like England or the United States.

[English]

Well, evidently it is not "meilleur" any more, although there is probably not one economist in the country who can say how changes in the international scene have suddenly altered the tune of the times. As the Prime Minister himself said, with that knack he has for uttering

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the right words in the wrong context, "Let's not get obsessed with inflation". He is not a man easily obsessed, except perhaps with holding on to power. That is probably why, when he found that he would have to bring in mandatory price and wage controls, he decided to cashier that clever talking-bird, formerly known as the minister of finance, whom he had trained to utter phony arguments against just such controls. It was the former minister of finance, it will be remembered, who said:

The problem is worldwide in origin, with the major source of upward pressure between the sharp increase in prices of agricultural and industrial commodities caused by the unprecedented upsurge simultaneously in the economies of all the industrial nations at a time when a number of these commodities were already in short supply.

I am not sure what that means, but that is what the minister of finance said that time as an excuse for the reason prices and incomes controls would not work. However, it is not clear whether it was the Prime Minister who could not stomach the bird, or the bird that could not stomach what he was saying. We are still awaiting an explanation from him as to what has changed in Canada or in the world to transform good inflation to bad inflation. Will the Prime Minister, the former minister of finance or, indeed, the current Minister of Finance, tell us, for it was not possible for me to see why the government did not bring these prices and incomes controls in a year ago, and it is certainly not easy for me to understand why at this particular time the government seems to have changed its mind?

● (1600)

Perhaps I am not being altogether candid in saying that it is not clear to me. I think I do know what has changed. The winds of political circumstance, have changed. Most of the citizens of Canada were opposed to prices and incomes controls, not having been sure of the true picture of the economy on which to base their judgment, so the governing party drifted to election victory on the warm breeze of overconfidence. Now that the government feels the chilly draft of public unease on its neck, it smoothly alters course like tumbleweed on the prairies, unprincipled and shifting with the wind. Indeed, this government could become known as the tumbleweed government. The policies of this government are like a mature dandelion; they could suddenly blow away with the smallest puff of wind.

The economic picture is no different now than it was a year ago. Nothing much has changed except that perhaps things are now a little better. I have some statistics here which were provided by Information Canada, which Information Canada obtained in turn from Statistics Canada, showing that in June of 1974 the unadjusted consumer price index had increased by 1.3. In September of 1975, which is just a month ago, the last month for which we have figures, it rose by 0.2, so that increase was certainly much less than it was a year ago when we suggested these controls. Looking at the current annual rate of change in the seasonally adjusted consumer price index, in June of 1974 it was 14.3. In September of 1975, the last month for which we have figures, it was 10.2, substantially better than 1½ years ago.

I wonder why things are suddenly so much worse, when the figures show that things are somewhat better? Looking at the unadjusted consumer price index figures for all