Moreover, it was just not a question of raw materials and resource products involved in the statistical revelations; the price of manufactured exports in the second quarter of this year, and these are the latest statistics we all have, were up 11.7 per cent from the same period last year, while imported prices on finished goods had increased by 20 per cent. So it cannot be argued that slower growth in export prices, as against our import prices, was just a matter of weak foreign markets for raw materials and resource products.

It is evident that on the basis of Statistics Canada price indices the terms of trade still favour Canada. I brought this matter up in a Finance Committee meeting with the Minister of Finance on November 3, and he stickhandled around the obvious evidence of the falsity of the claim of cabinet ministers and Mrs. Plumptre that we are pricing ourselves out of the world markets by saying, and I quote: "I think I would put it more on the basis of anticipation than actual fact." This might be acceptable legalese, but it is not good economics.

The truth of the matter is that there is no evidence for the conclusion that we are pricing ourselves out of international markets. I defy any hon. member opposite to give statistics from Statistics Canada which would reveal this. This evidence has to show up in the trade indices to which I have already referred.

What the Minister of Finance seems to be saying is that we are scared of this matter for the future, but if he is extrapolating from the present statistical evidence, he has no solid basis for his claim. It is more of an intuitive or alarmist type of attitude than one based upon solid, statistical or other economic evidence.

Another piece of shaky evidence which has been used in trying to defend the necessity of such controls is that wage settlements in Canada are well above those in the United States. However, as the Minister of Labour (Mr. Munro) noted in his recent speech in Newfoundland, some of the statistics used to paint labour as the villain in the inflationary process are dubious, and indeed, spurious. This comparison between Canada and the United States wage data is a prime example. The data I have seen shows that all wage settlements negotiated in the first three months of 1975 provided for future increases averaging 7 per cent in the United States and 16 per cent in Canada. What this data does not show is the possible future effect of cost of living allowance clauses.

In the first quarter 62 per cent of American workers with new settlements were covered by COLA clauses, while only 3 per cent of organized Canadians have such provision. Also, the data used for Canada, that is, the 16 per cent increase to which I referred, is calculated on the base or lowest rate of pay, while in the United States the statistics are based on average straight time hourly earnings of all workers.

A recent study by the Bureau of Labour Statistics in the United States, a summary of which was published in the *Monthly Labour Review* of the American department of labour, pointed out that if you take total compensation—not just for production workers, but for all employees—the difference in average compensation between the United States and Canada is even greater than the difference in compensation for production workers between the two countries. The compensation per production worker between the United States and Canada has, of course, narrowed over the last 10 years.

In this connection it should also be pointed out that collective bargaining settlements in the third quarter of 1975, before the anti-inflation legislation was introduced, show that the average annual increase in base rates in Canada had gone down 18.5 per cent in the second quarter to 16.8 per cent in the third quarter. These figures are based on an analysis of collective agreements covering 500 or more workers in industries.

On the question of industrial strife, as measured by strikes and the number of man-days lost, we have Statistics Canada figures which show that there were 5.2 million man-days lost in the first half of 1974, while for the same period in 1975, without any controls at all, this was reduced to 3.4 million, a 38 per cent decline in seven months, as the hon. member for Dauphin (Mr. Ritchie) noted when he was on his feet.

It is very difficult to get excited about the economic effects of this program as opposed to its political expediency. It is true that we hear people say that it seems something had to be done, but surely before we prescribe such serious medicine for a sick economy we must be fairly sure that we have a proper diagnosis.

The fact is, as our leader noted in his address today, that the prices of food, oil, gas, and mortgage rates for housing constitute some 60 per cent to 65 per cent of the ordinary cost of living of the average Canadian. The legislation we are asked to approve does not cover mortgage and other interest rates, which can be thought of as a price, that is, a price for money. Food, both the prices Canadian farmers may charge for their produce and the price of imported food, is not covered under this legislation.

As we know, within the past six weeks we have received the report of the Food Prices Review Board and Mrs. Plumptre on the profits of 78 food companies. The conclusion was that profits were far from excessive and hardly a factor in rising food prices. What, then, is causing high food prices?

Wholesalers and retailers will tell the Anti-Inflation Board what they told the Food Prices Review Board, that there are no excessive profits, and the consumers, who will still have to pay high prices for food, will be faced with a sort of "the devil made me do it" argument as an explanation for the continuing high food prices they will face. Again, oil and gas are not covered under the anti-inflation legislation. In short, the government is asking the wage earner to accept pretty full controls on his wage income, while being able to offer possible restraints, and I underline "possible", on only about 40 per cent or 35 per cent of his living costs.

Little wonder wage and salary people in the trade unions are less than happy with such an arrangement. They know of the enormous difficulty in controlling prices by means of controlling profit margins and the relative ease, on the other hand, to monitor and police the wage side. What about the poor and the working poor, who had the minimum in the wage guidelines waived after pressure from us and others, but who have no guarantee that they will ever reach the allowable level, since they have no formal bar-