

*Emergency Powers Act*

principally, if not entirely, to the battle against inflation. We are not fully informed now whether the bill includes more powers than those designed to provide economic weapons. We will look to the bill with interest to see if it contains other powers than those intended to provide the government with such weapons.

I am not going to spend more time of the house in discussing the imminent and very threatening dangers of inflation. It is not simply that the cost of living index has risen to 172.5. Perhaps more striking in that respect is the fact that in recent weeks the rapidity of rise has been greatly accelerated. The dangers are imminent; the dangers are very great and threatening. In his speech this afternoon I think the hon. member for Rose-town-Biggan (Mr. Coldwell) was not too strong in his statement that soaring inflation, bearing as it does upon the pockets of those of very limited means and income, is a great weapon in the hands of the communists, whether they be communists of the Kremlin or their tools in Canada.

I thought the Prime Minister (Mr. St. Laurent) might have been more direct in his statement today in regard to the existence of inflation. When he wanted to speak about inflation it seemed to me he mentioned "what is called inflation" or "what some people call inflation." I think it is time the Prime Minister made up his mind whether it is inflation or not. I believe most of us, certainly those Canadians who feel the pinch of high prices against low incomes, think there is inflation today. That is not to say it has run its course, but certainly today we have a very uncomfortable measure of inflation.

I said at the outset it seemed to me that in this debate the discussion has been concentrated on only one of the measures currently put forward as weapons to meet the menace of inflation. I do not think we shall be honest with ourselves or with the people of Canada if we allow attention to be unduly concentrated on the matter of price controls or other controls, in summoning to our aid all available weapons to combat inflation. Let us have regard to certain inescapable facts. It may be that we are going to have price control, but let us be fair and appreciate that hopes much too high are being held out for the benefits that may be expected from price control in the situation with which we are confronted today. This is not the situation of 1941. If we are to have price controls, whether of a selective nature or an over-all nature; whether we are going to have controls like those we had during the war or some different kind of controls, let us be quite honest with ourselves and with

the people in pointing out that today, unlike 1941, we start with a very high price level.

Then even those who are clamouring most vigorously for controls over prices recognize that they must be prepared to take some action with respect to wages and salaries. I for one am not prepared to give support to measures that contemplate a freeze of wages or salaries. That would perpetuate grave inequalities that presently exist. And looking at some of the things that are already under price control, let us remember that the existence of measures of control has not prevented increases in price. I come from the city of Toronto. The price of milk there is a very serious matter for the householders, particularly those with children; yet we have price control over milk. It has not prevented price increases. It is the same with the freight rates charged by the railways and the rates charged by the Bell Telephone Company. These organizations have had to go before a government tribunal and prove their need for increases, and they have been given those increases.

So let us be quite frank and recognize that if widespread controls over prices are coming, the situation today is very different from that of 1941. In all candour with ourselves and with the people of Canada we have to observe a measure of caution in holding out brave and rosy hopes as to the results of the application of such measures today. The need for some caution in respect to these hopes has been recognized by those who had much to do with the administration of controls during the last war. They caution us against expecting too much under present conditions.

Let us remember also that the farmers are not satisfied with the prices they are receiving for certain of their products today. The Canadian Federation of Agriculture was before the government a few days ago asking for an increase in the price of domestic wheat, for the raising of the butter floor price, and an increase in the floor price on bacon. These are factors that have to be taken into consideration. Today the farmer feels the pressure of rising prices for the things he has to buy. So if we are going to start on a general system of controls we must remember that the farmer is not satisfied with the prices he is receiving for some of his products today.

Look at what some of the former controllers have said in recent days. Perhaps the most recent is the statement by Mr. Graham Towers in the 1950 annual report of the Bank of Canada, which has received some attention in the press. I should like to read a few relevant sentences from page 15 of that report,