

Emergency Powers Act

that can result in further increases in costs before even that partial form of control is brought in.

We had it made clear to us yesterday by the Prime Minister that the kind of controls that will come under the Minister of Trade and Commerce, if and when he becomes minister of defence production, will be in that field; they will be controls of basic commodities involved in the defence program, but no more. The Prime Minister indicated that if there is to be any general program of price controls it will not be under the aegis of the minister of defence production, but will have to be done under the terms of the bill we are now discussing.

I suggest that any reference to a partial control, a control over basic commodities only, such as the Minister of Trade and Commerce says is being considered, does not fill the bill. Meantime the cost of living index is still rising, and is making the problem our people face so very serious that, as I have said before, they are writing to us today not in puzzled tones but in fear and panic and with frantic apprehension of what lies ahead, with the cost of living still going up.

At February 1, the index figure was 175.2. It is probably higher now, but we do not know what the figures are until the month has elapsed. That means that, in terms of 1935-39 standards, the dollar today is worth only 57 cents. If it goes on up to 200, which can happen in a matter of months, the Canadian dollar will be down to 50 cents in terms of the purchasing power of 1935-39.

On September 13, when we were here attending the special session, I made some comments as to what might happen if the cost of living index went up to certain incredible figures. At that time the latest figure we had was that of 168.5 for August 1. I suggested what might happen if it went to 170 or, perchance, to 175. I have no doubt that there were some who thought that would not happen. Here we are back in another session and the cost of living has gone to that figure. If it keeps up the rate of increase that has been in effect for the last few months, in fact if the present acceleration is maintained, it will be only a matter of months before we will be up to 200. I hope the government is not waiting for that round figure before it does something about price control. I submit that the time is long overdue for that action. I submit this is no time for the government to answer these pleas by academic arguments and by the various positions that are taken. The Canadian people are calling for action; they are calling for price controls.

[Mr Knowles.]

I submit that it is significant that although this party has been at it for six years, ever since there was first talk of taking off price controls, not only have the Social Crediters joined us in this appeal but so have the Progressive Conservatives who for many sessions were opposed to us in the stand we took. For many sessions they called upon the government to get rid of controls faster than it was being done, but they are now insisting that action be taken in this connection.

We all know the appeal that was made over the radio the other night by the leader of the Progressive Conservative party (Mr. Drew) calling upon the people to flood members with letters urging them to take that action. I was glad to note in the paper the other day that the hon. member for Eglinton who sits near me is one of the recipients of many letters which are coming in.

Mr. Fleming: Who said that I was getting a lot of letters?

Mr. Knowles: Arthur Blakely of the *Montreal Gazette* said that one of the results of your leader's plea was that you were getting a great many of these letters.

Mr. Fleming: I think I ought to enter a correction about that. I did not receive a flood of letters; I received three letters on this subject in the last week.

Mr. Knowles: Apparently the constituents of the hon. member for Eglinton realize that he is incorrigible, that even though the rest of the Tory party may have taken the position that price controls must be brought in, he does not yet agree. But I hope he will soon. But what is more important, let us hope we can convert the government even before that.

I think I should take another moment to indicate in a brief but nevertheless comprehensive manner what has happened statistically with regard to the cost of living index. The average cost of living index for 1941 was 111.7. I mention that year because that is the year price controls were instituted in world war II. By 1945 it had risen by less than eight points to 119.5—less than eight points in four years. It was in 1945 that decontrol first began. We find that in the next year it went up 4.1 points; the next year, 11.9 points; the next year, 19.5 points; and the next year 5.8 points, which brought it to 160.8 as the average for 1949.

By February 1, 1950, it had gone up still further to 161.6, and now, a year later, as at February 1, 1951, it has gone up nearly another 14 points to 175.2. Six points of that 14 points increase this past year occurred during the first six of the past 12 months while eight points occurred during the last