

*Emergency Powers Act*

impress upon us the desirability, in the view of those who wrote or subscribed to the brief, of immediate controls being exercised. The initial statement was that all these members of organized labour and their dependents were united in the conviction that rent control must be maintained and that price control must be imposed. I think they went away satisfied that it was rather the wise course to allow the provinces to exercise the power of rent control and to hope that they would, in the exercise of their jurisdiction, maintain a system of rent control that would be sufficient.

As to price controls, they were insistent in their view that over-all price controls would be beneficial. They were reminded of the share they had had in bringing before the royal commission on prices in 1948 their experience and views, and they were reminded of the valuable study that was made in 1948 of the factors which tend to create what their brief called inflation. There is, of course, to a certain degree inflation; but it is not the kind of inflation that developed in other countries where currencies were reduced to one-tenth, and in some cases to one-thousandth, of their previous values. There has been a price spread which has made it impossible to secure for the dollar the same quantity of commodities or the same kind of commodities that it was possible to secure for that dollar before the last great war.

As to the manner in which governments should exercise powers to counteract or prevent increases in prices, there certainly is room for divergence of views, and there is divergence, of course; and, as everyone recognizes, there are many factors at the present time different from those which existed in 1941. But there is no doubt that inflation—if we choose to call it that—with further substantial increases in price levels, would be a serious danger to the economy of the country.

There are those who claim that the promotion of price increases by inflation in the free countries is one of the potent arms of our potential enemies in this present cold war. That is something to which all of us have to give very serious attention. In order to be in a position to adopt such measures as the situation may from time to time require, it has been felt that it would be preferable not to proclaim the War Measures Act, which would cover the whole field, but to ask parliament to confer upon the government powers additional to those enjoyed normally under the constitution, enabling the government to adopt from time to time such measures as we can confidently recommend to the people of Canada as something that will be beneficial to the preservation of our economy.

That has to be the criterion upon which this or any government acts. The fate of this government is not of great importance, but the fate of government in democratic countries is vital to the preservation of our system. Governments must be very careful about recommending measures to the public of which they are the governors unless they firmly believe that those measures are required in the national interest; otherwise they are not apt to have the support of the public in the administration of those measures, and they are apt to undermine the attachment of free citizens to the form of government which thus loses their confidence.

We are therefore asking parliament—or we will after this resolution passes—to declare by legislation that the present situation is such that the ordinary distribution of legislative powers between parliament and the legislatures can to a degree be modified, and that there can be things which require to be done by the central authority uniformly throughout the whole country which would normally be within the jurisdiction of the local legislatures. We are asking parliament to authorize by this legislation the doing of some of the things which were done during the last war under the War Measures Act.

It is my hope that not many of the powers sought by this legislation will have to be exercised. At the present time there is no power in the federal government to control prices, other than those which may be affected by the requirements of defence supplies, which threaten the remainder available to the public and which might force up those prices.

The very existence of the right to intervene and establish regulations sometimes is in itself sufficient as a warning to prevent abuses; and the existence of these stand-by powers may make it unnecessary to deal with abuses that might arise if they were not in existence. It is not possible for us at the present time to say which and when and how these powers to control the economy of the country will have to be exercised. But the legislation which will follow on this resolution, if it passes, will provide that whatever exercise is made will have to be immediately communicated to parliament in accordance with the Regulations Act and can be rescinded by resolution of parliament in the manner in which, in the United Kingdom during the last war, action was taken with respect to orders in council made under similar powers.

There is no desire to by-pass parliament; there is no desire to attempt to maintain anything that parliament would not think was in the interest of the country. We recognize