

Emergency Powers Act

Knight) for immediate action on the part of the government establishing price controls and making provision where necessary—

Mr. Warren: Wage controls?

Mr. Knowles:—for subsidies, so as to hold down the cost of living and to protect the health and living standards of our Canadian people. I always try to make speeches—

Mr. Warren: And apply wage controls?

Mr. Knowles: If the hon. member for Renfrew North (Mr. Warren) will just contain himself, I shall deal with the question he is trying to interject at this point, as I have dealt with it many times before. I suggest to him that I have the floor.

I had started to say that I like to make speeches which, though they may appear a bit academic at times, are built up from one point to another, and arrive at conclusions. Indeed, I like to restrain my language as much as possible. It seems to me, however, the time has come, in connection with this question of the rise in the cost of living when, on behalf of the people we represent, we simply must stand in our places and say to the government, "Quit stalling; quit making excuses". For all that has been said so far by the government simply adds up to inaction, so far as price controls and subsidies are concerned.

Mr. Warren: Wage controls?

Mr. Knowles: During the course—

Mr. Warren: What about wage controls?

Mr. Knowles:—of the discussions that have taken place with respect to this question, various attitudes have been displayed. Speaking in the budget debate last fall, the Minister of Finance (Mr. Abbott) dealt with the matter in an academic fashion. Among other points he tried to make was his contention that we could not go in for partial price controls, and that if we are going to have it at all we had to have a complete system of controls. He indicated, however, that that idea was anathema to the government, and that it was the hope of the government that other measures would prevent further inflation. So we got no action.

The cost of living index figure available to us in September of last year, when the Minister of Finance made that argument, stood at 168.5. It has since gone up to 175.2. In other words these other measures supposed to prevent further inflation simply are not working. I suggest it is time to have done with these fine academic points the minister mentioned; it is time to resort to

the policy the government practised so effectively during world war II. I would remind them again that from 1941 to 1945 the cost of living index rose only from 111.7, which was the average in 1941, to 119.5, the average in 1945, or only 7.8 points in four years. That was the record of this government in price controls.

Not only did the government achieve such an enviable record in holding down the cost of living, but on April 1, 1947, Mr. Ilsley made it clear that the total cost of that program, both in administration and subsidies, had returned to the Canadian people as a whole, individually and through government expenditures, \$12.50 for every dollar spent. At the same time Mr. Ilsley pointed out that that price control program had saved defence costs of the government to the extent of at least 25 or 30 per cent. I mention that in passing because we are now heading into huge defence costs and, without price controls, I suggest there is no question but that the figure of \$5 billion now before the house will be considerably greater before that program is completely implemented.

Another line of argument taken is that which has been suggested by the Prime Minister (Mr. St. Laurent) from time to time, namely that it is a matter of timing. He has not said that the government is finally and irrevocably opposed to price controls. He has indicated that if the government comes to the conclusion that they are necessary and that they will be effective, it will be prepared to launch such a program. But if I read correctly his remarks the other evening when addressing the Liberal meetings held in this city, he indicated it was not the intention of the government to do what he called any shadow-boxing, so far as this matter is concerned.

But while these excuses for not bringing in price controls are being given, the cost of living index continues to rise. It was only 172.5 when the Prime Minister spoke to the Liberal meetings held at the Chateau Laurier last week. The official index now however is 175.2, or another increase of 2.7 points.

Another line taken is that offered by the Minister of Trade and Commerce (Mr. Howe), as set out last night in a press conference that was broadcast. He has indicated the government is considering or may consider mark-up control, so far as the margin of profit is concerned. There again we are getting only consideration; there again we have not a control that will hold down the cost of living, but only the kind of warning