

pensioners and low income workers. During the pre-Christmas session I suggested that this could be done at practically no administrative cost, in the case of milk for children, by including with the monthly family allowance cheque milk tickets, worth five cents each, for each child for every day in the month. The hon. member for Comox-Alberni (Mr. Gibson) pointed out that the same system could be used for bread and meat. It could also be used for pensioners, by enclosing the tickets with their monthly cheques. The hon. member for Cochrane (Mr. Bradette) tried to ridicule the idea of a milk subsidy by saying we would be subsidizing restaurants, people with high incomes, and so forth. But a scheme such as I have mentioned would not subsidize restaurants or any other institutions, or persons with higher incomes, because the amount paid out to them could be collected together with the income tax.

I want to make it clear that I advocate these subsidies only as a temporary expedient to relieve immediate hardship. I do not believe in the general principle of subsidies. In most cases the administrative cost is high and must be paid in higher taxes, so that in the end the goods cost more to the people as a whole than they would otherwise. However, prices are too high for our pensioners, whether they are veterans, old age pensioners or others, and for our lower income workers. Why, then, does the government not take steps; why has it not already taken the steps open to it, to reduce these prices? In my opinion, it has been a case of bad policies, badly mismanaged. The government now seeks to cast the responsibility for its failure on a committee of this house.

There is one thing I am glad the government has done; it has rejected the policy advocated by the C.C.F., of a general reimposition of price controls. Such a policy is absolutely unsound, I think, for one outstanding reason. It would cut down production, and only by increasing production can prices be brought down in the long run. I should like to say to the C.C.F. and all others who advocate the reimposition of general price controls that you can bring down prices in that way, by law, but you cannot secure production, particularly as far as the farmer is concerned. The only way people will produce is for a profit; that is a truth which should be self-apparent. The only way they would produce otherwise would be under a system of slavery such as one finds under fascism or communism. I believe all will agree that such a system has no place in Canada.

[Mr. Harkness.]

Therefore it seems to me that the advocacy of a system of price control is one which is working against the best interests of this country and of the world as a whole. There is a world shortage of foods; everyone recognizes that. The advocating of a policy which would increase that shortage is, in my opinion, very closely approaching the criminal.

I have dealt chiefly with agricultural matters and food, because the great clamour is over food prices. However, my remarks are equally applicable to other fields of production, particularly of primary products. I believe the general application of the principles and remedies I have indicated would go far to bring down prices and put our economy on a more sound footing.

Mr. E. G. McCULLOUGH (Assiniboia): Mr. Speaker, I rise to take part in the debate because I consider it is one of the most serious issues which ever faced the Canadian people, and one which should have the serious consideration of all members of the house. I resent the fact that this resolution to set up a committee is placed before us, when through the latest Gallup poll the people of this country demanded action. So far as I am concerned, the resolution brought in by the Prime Minister (Mr. Mackenzie King) is nothing short of a smoke screen, as has been pointed out by various members of this group. In my view, anything short of immediate and definite action on the part of the government to prevent the rise in the cost of living would be insufficient at this time.

It seems to me that during the debate many hon. members who, on previous occasions, lent their voices to the government's throwing controls out the window are now taking a different attitude. The hon. member who has just taken his seat has said that his party, as a party, does not believe in complete decontrol. I do not wish to spend much time in refuting what he said; but during the last few years I have listened attentively to addresses by hon. members in his group; and if they do not stand for decontrol, then I wish their leader would come out on behalf of their party and make a speech which would make it unmistakably clear as to the intent of their party in regard to price controls.

The leader of the opposition (Mr. Bracken) is reported in *Hansard* for Monday, February 3, 1947, as follows:

The situation is of course further complicated by decontrol in the United States. The lifting of controls there has further complicated the problem of the business community here in various ways and contributed to the situation whereby we have the anomaly of high employ-