

The Address—Mr. Coldwell

of their purses. Everybody gets his share, even though that share is small, and at a price within his reach.

One could go down the list and refer to milk and all the other basic commodities in that country. True, they had to release some of their controls; but why? They had to release some of their controls because of the point made by the Minister of Finance a moment ago; because they have had to pay increasing subsidies for these basic supplies from overseas. And why have they had to pay increasing subsidies? Why have they had to pay more for their supplies from overseas? Because countries like Canada and the United States have allowed inflation to run wild within those countries.

Mr. Abbott: Would my hon. friend allow a question? Just as a matter of interest, does he think the Canadian farmer should get less for his bacon—

Mr. Coldwell: No.

Mr. Abbott:—because he ships to the United Kingdom?

Mr. Coldwell: No. But just a moment; that is one of those catchy questions.

Some hon. Members: Oh, oh.

Mr. Coldwell: Oh, you can laugh; but what the minister asked me was another question, and I will tell him why. It is because the farmers' cost of production has risen beyond the value of his returns, since this government allowed controls to be removed. That is the answer to his question. As a matter of fact the answer is to be found in the government's own report, put out by the bureau of statistics. What does it show? It shows that the average cost of living in Canada rose in August by about one point; but it also shows that the return received by the farmers for their produce in the same month decreased by seven points. So, you see, I am talking about the justice that would be achieved by subsidies and controls. So far as the primary producer is concerned, his returns are falling now.

Mr. Argue: Bacon is down \$7 a hundred-weight in one month.

Mr. Abbott: Which price does my hon. friend want to continue to go up?

Mr. Coldwell: I will answer that. If the government is going to allow the basic prices of other commodities to rise, and monopolies to continue to set those prices, then the farmers' prices must go up. We have to face it. But it is because the government, ever since it began to remove controls, has let inflation run wild in this country—and in the neighbouring country the same applies—that in European countries as well as in Canada

prices have continued to rise. That increase I say is due to a large extent to inflation in North America.

The Prime Minister this afternoon compared certain prices in Washington and New York with prices in Ottawa. Well, had he taken, for example, a comparison of prices of the same commodities in Minneapolis and Winnipeg he would have found a somewhat different condition. Be that as it may, a statement about two weeks ago by Mr. Michael DiSalle, director of the office of price stabilization in the United States, which office is in charge of the stabilization policy of the federal government in that country, had this to say:

Up to February 15, 1951, from Korea, the cost of living in the United States increased eight per cent. These rises cost our people \$16 billion.

The increase from February 15, 1951, to June 15, 1951, was eight-tenths of one per cent, or less than \$2 billion.

I should add that from February 15 to June 15 the office of price stabilization in the United States exercised some control over American prices. He went on to say this:

While we held this price line, the index in Canada—which has no direct price controls—increased five and three-tenths per cent in that period.

Had our prices been going up at the same rate as Canada's it would have cost the American consumers \$7 billion—\$150 per family of three.

That is not my statement; it is the statement of Mr. DiSalle of the office of price stabilization in the United States. So I say that our criticism of the government in respect to this matter is fully justified; and I hope that hon. members, wherever they may sit, will support both the amendment and the subamendment, in order that we may give to the people of Canada an assurance that we at least are determined to bring the matter forcibly before our government. The cost of living index today is 189.8, the highest in our history and, as I said, during the same month, August, farm prices dropped another 7½ points.

Mr. Gibson: Farm income or farm prices?

Mr. Coldwell: Farm prices dropped to that extent, and let us bear in mind that the failure of the government to bring about any stabilization in the price level has reduced the purchasing power of the Canadian dollar to 52 cents in terms of its value in the base period of 1935-39.

The Prime Minister (Mr. St. Laurent) and the Minister of Finance (Mr. Abbott) have said that there must be more saving because more dollars chasing fewer goods will cause further inflation. I thought the Prime Minister rather discounted that statement at the end of his address when he said that inventories were unusually high and that

[Mr. Coldwell.]