

then it will be reflected in unemployment; and one of the ways of preventing consumption of goods is to keep prices too high, thus reducing the amount of goods which the dollar of the consumer will buy.

Just to confirm my point, according to Doctor Julius Hirsch, *Barron's Weekly*, November 19, 1945:

The United States in 1945 needed only thirty-six million people to produce the quantity of goods produced by forty-five million in 1939; thus, to employ the same numbers of people as in 1939, output would have to be 25 per cent higher, and 25 per cent more effective purchasing power would be needed to assure a market for the additional goods.

The tragedy is that in the hands of the people of Canada at the present time there is a good deal of purchasing power, accumulated during the war, which is being drained off by the high prices to which I have referred. The Minister of Finance the other day took a good deal of credit, and I give the minister and the department credit, for the enormous savings that had been made during the war by the institution of wartime controls. He said that the annual savings amounted to \$2,500 million, and he gave the annual cost of making these savings—expenses of wartime prices and trade board subsidies and so on—as \$200 million. If it was true for the whole five years—probably it was not—the total saving would be \$12,500 million, at a cost of \$1 billion, and that would be a little less than \$1,000 per head saved for every man, woman and child in Canada. This is a remarkable confirmation of the effectiveness of what was done in that field to prevent undue profits and undue prices during the war.

It should be interesting, may I say, to the members of the government to note how some of the financial newspapers are changing their tune. Take the *Financial Post*. I shall not quote at length, but if hon. members will read the editorial in that journal of July 13, 1946, at page 1, they will find that they demand that we do pretty much what the United States did—remove controls. Then you find that a little later, on November 9, 1946—also at page 1—they were complaining that we had not done what the United States had done, that we were shilly-shallying and not acting rapidly enough. Take the most recent one, April 12, 1947, and what do we find? This appears in the same newspaper:

Caught between high taxes and sharply-rising prices, consumers are not going to be any more complacent when they learn that company profits have been mounting. A survey on page 5—

That is where some of my figures came from.

—of the combined results of sixty Canadian companies, shows 1946 earnings almost 30 per cent higher than for 1945.

The same trend is abundantly apparent in the United States, where President Earl Bunting, of the National Association of Manufacturers, bluntly warns: "If the constant upward winding of the spiral continues, you will see one of the most terrible busts this country ever had."

If that does happen, few indeed can plead lack of warning.

Exactly the same thing happened two years after the first world war. Prices went up, quality went down, and finally buyers rebelled. Already there are signs that there is a limit as to what the consumer will pay. The first scramble for high priced luxuries and durable goods has slackened. Instead of waiting until organized buyers resistance compels drastic price cutting, business would be far smarter, and in the end more prosperous, if it voluntarily lowered prices now.

That is the advice that the *Financial Post* gives now.

Mr. MACDONNELL (Muskoka-Ontario): See what wise advisers we have.

Mr. COLDWELL: Yes, it was a very wise speech which my hon. friend for Muskoka-Ontario made. I only wish that all his speeches were equally wise. But if we look away from these goods again to other lines, we have the pulp and paper industry, a big industry in Canada. It is true that output has gone up, but look at the increase in the company's profits—and the increase, incidentally, in the price of newsprint. The price of newsprint rose by \$29 a ton on January 21, 1946, an increase of fifty-one per cent in that period up to April 1, 1947. The source of that statement is the *Montreal Gazette* of April 3.

Mr. JACKMAN: Where did they sell the newsprint?

Mr. COLDWELL: That does not matter. It is profits that I am talking about. It does not matter whether they hold up Canadians or whether they hold up somebody else. Let us take it that they send it to Britain and that they hold up Britain. What are they doing?

Mr. JACKMAN: Who held them down in the thirties?

Mr. SPEAKER: Order.

Mr. COLDWELL: What are they doing as far as Britain is concerned? Britain obtained a loan from this country. If the price increase is great on any commodity that we sell to Britain, we restrict the amount of goods we can send to assist in her recovery, upon which our own recovery largely depends. That is one of the arguments we have used in con-