

Emergency Powers Act

Gordon as one of the outstanding economists of this country. We used subsidies very effectively during the last war, but bit by bit we discontinued them. We discontinued the subsidies that were beneficial to the farmer and the consumer, but we actually gave more subsidies to some other interests in this country. In 1945 we gave a subsidy on butterfat to keep down the cost of butter, and so on, to the extent of \$24 million. In 1949 that subsidy was gone; prices were rising. As a matter of fact in this city today you have the spectacle of milkmen delivering skim milk at the doors of the consumers at a cost of fifteen cents a quart. There is no one to say they should be charging that amount for milk after the butterfat and cream have been taken out of it, leaving only the curds and the whey.

Mr. Howe: What about the Ontario milk board?

Mr. Coldwell: The Ontario milk board I understand does not set the price of skim milk.

Mr. Howe: I rather think it does.

Mr. Coldwell: It sets the price of fluid whole milk, 3·4 or whatever it is, but not for the skimmed milk.

Mr. Knowles: It is probably set by the waterworks department.

Mr. Coldwell: We gave a subsidy on the fluid milk produced of \$13 million. We give none today. May I say that was one of the most beneficial subsidies this country ever gave. After parliament had asked the government in August 1946 to continue granting that subsidy, six weeks later by order in council they discontinued it. Then we saw the consumption of fluid milk fall because the price went up and has continued to go up ever since. The consumption of fluid milk, in spite of all the advertising and the educational work done in our schools by the various health departments, has gone down.

We gave a subsidy on hog production which amounted to \$11 million. We gave \$4 million last year. We had a subsidy on raw cotton and linters which amounted to \$13 million to keep down the cost of clothes. I do not see how the father of a small family who is earning from \$100 to \$150 per month can pay the rents which are requested in this city, buy the food and necessary clothing, leaving out of consideration the larger families which sometimes are to be found in that low income group.

Of course, we had a feed grain freight subsidy which amounted to \$17 million, and we have that to some extent, \$14 million. The Maritime Freight Rates Act accounted for

\$4 million then, and \$11 million now. We had no gold subsidy during the war, but we gave a subsidy of \$13 million for fluid milk. During 1949 we had no subsidy on fluid milk, but we had a subsidy on gold which amounted to \$14 million that year. So, some of the subsidies that we had were wiped out, and the one we did not have is today larger than the subsidy that we gave to milk. It may be of course that the subsidy on gold, because of the manner in which we have been able to use it in the United States, is justified. The point I am making is that we cut out another subsidy which I think was justified to a far greater extent because it affected more people in this country and particularly the children. I refer to the subsidy on fluid milk.

As the prime minister of the day pointed out in 1941, price controls were essential to enable us to do the kind of job we had to do in producing the equipment for war, and in maintaining decent standards of living for peace. But while standards of living have been going down and the costs have been going up, profits have been, and are, at an all-time high. I have not been able to secure all the corporation figures for 1950, but a sampling of those figures indicates that corporate profits in this country for 1950 will be substantially higher than they were in 1949 when, after taxes were paid, they amounted to \$1,241 million. We have seen a demonstration of the inequality about which Mr. King spoke several years ago. There is inequality in that the standards of living for the masses of the people are going down, and profits are going up. We have done nothing to prevent that tremendous accretion of money which has gone to some people in our country on account of the speculation that has occurred in our economy over the last several years. Indeed, to some degree, that speculation has been responsible for some of this inflation. As I said the other afternoon I would very much like to see the government siphon off the results of this speculation by means of a substantial capital gains tax.

This afternoon I was disappointed when I heard the Prime Minister (Mr. St. Laurent) refer in the manner in which he did to rent controls. As I say, I have just received this brief and I have had no opportunity of talking to anyone who presented it to the government either before or after it was presented. But I must say that I am surprised at hearing that the delegation which met the government this morning seemed to be in agreement that rent controls might be undertaken by the provinces. It may be that under our constitution—I think it is so—property and rents come under provincial jurisdiction. To my