

That is my whole point today. He went on: This whole free system of ours is on trial. Socialists say prices are going up.

Well, Mr. Speaker, if all the people who say that prices are going up are socialists, there will be no one but socialists in this House of Commons after the next election.

An hon. MEMBER: What a hope!

Mr. COLDWELL: I did not say it was a hope. I said that would happen if the assumption was correct. The hon. member for Muskoka-Ontario went on to say:

Socialists say prices are going up. I say we are going to cure that by production. If we don't, then it is going to be too bad.

That is true. Cure it by production, but remember that if we are to cure it by production we must see that consumption is able to take what production can produce, and if we allow the present trend to go on and prices to keep rising, as they have been rising lately, there will be plenty of production but the purchasing power of the people will be drained off and they will not be able to buy the goods that are available.

I thought there was a very neat comment in the *Ottawa Citizen* upon the little matter of chocolate bars, and I should like to quote it, if I may. It appears in the issue of April 11:

Chocolate bars are up to eight cents. But some of the bars are shorter than when they sold for a nickel, necessitating the use of more cardboard to make them look longer. So considering the increased cost of paper, maybe the new price is about right.

I thought that was quite a neat comment by the *Ottawa Citizen*. I would like to ask my hon. friends to my right exactly where they stand on this matter. I am not going into the question of controls, but it is involved to some extent in this connection. I read, not in the *Toronto Star* but in the *Globe and Mail* of March 28, this little story about their recent national meeting.

A resolution on government controls, for instance, is said to have engendered a wide difference of opinion. The old line Conservatives want a resolution which would put the party on record as demanding that all controls be dropped forthwith. The Progressive element favoured a resolution favouring controls on rent, foreign exchange and essential goods.

I looked carefully through the resolutions that were passed by my hon. friends at the meeting over that week-end, and I could not find any resolution dealing with controls. I came to the conclusion therefore that they could not have agreed very well. But may I say to the government that this business of an increased price level is something that we

[Mr. Coldwell.]

cannot laugh off. The people are looking to this House of Commons to do something and, through the house, to bring pressure to bear upon the government to do something to reverse the trend. If we do not, we shall be faced with serious difficulties.

We supported the wheat agreement, for example; we supported it both in the house and in the country. When we supported it we thought that the price level would remain about where it was, but the cost of production has gone up, and at the time the Minister of Agriculture referred to the fund of \$200 million, the inference was that it might be used to compensate for increases in production costs, though it cannot be used for that purpose. But there is the principle we have to keep in mind, that if the cost of living is going up and the cost of production is also rising, then of necessity the Minister of Finance will have to find ways and means, in the words of the hon. member for Vancouver Centre, of producing a compensating economy in wheat at least, and that is a matter which this house will not be permitted to overlook, if it would.

Higher wages in industry will be demanded, and we shall find ourselves in a difficult position indeed. I shall not go into a long discussion of that question this afternoon, but I do want to raise the whole question of increasing prices because I think this house has to face it. It is all very well to say that we have to increase production. I agree with that. But we have to bear in mind that if the money in the pockets of the people buys less, then of course the products of industry will begin to pile up and we shall reach that stage of recession which has been talked about particularly on the other side of the line.

As I believe I said on another occasion in this house, the productivity of the worker during the war years increased tremendously. I notice that lately in a report the acting commissioner of labour for the United States government, A. F. Hinrichs, said:

We anticipated an extraordinarily rapid increase in the output per man-hour in most industries, and did experience a similar rapid increase in productivity in the years immediately following the first world war. It seems to us that an increase of as much as 30 per cent by 1950 may reasonably be expected.

That is, all across American industry.

I saw a report by another writer in one of the United States papers to the effect that already in some industries productivity per man hour has increased by 40 per cent. That will be reflected, of course, in consumption; if we fail to consume the products of industry,