

The Address—Mr. Coldwell

Minister of Finance, the chairman of the wartime prices and trade board and the wartime prices and trade board itself. We say, therefore, that the use of subsidies can be warranted. Moreover, if subsidies now were accompanied by a reimposition of the excess profits tax, which brought in something like \$460 million the last year it was in operation, most of the money required to meet the cost of subsidies on basic things like milk and so on could be obtained.

We are engaged in a democratic struggle to preserve those freedoms which we all value. It is an incontrovertible fact that one of the weapons of communism is inflation. It was used by the communists after the Russian revolution to bring about the downfall of governments in Europe. Even today their followers in this country have passed resolutions opposing price controls and subsidies and have forwarded them, incidentally, to some of the members of this house including myself. Why? Because Stalin and his friends know that they are not going to destroy the western democracies by war. They are going to destroy, if they can, by undermining our economies and bringing about the collapse of our economic and social institutions.

I am not pretending, and I say this to the Prime Minister, that everything can be done within the boundaries of Canada. It cannot. I believe this requires international action as well. There is some action which we can take within our own boundaries. The situation today is very different from that of 1939, when we had idle factories and hundreds of thousands of unemployed in the country. When we began our rearmament program early this year our factories were employed to capacity, and there was a shortage of labour. This, in part, accounts for the inflationary atmosphere at the present time in the western world.

There was recognition of this fact when the North Atlantic agreement was made. Our members will recall that we were insistent that, in addition to the military provisions of that pact, there be economic provisions for the integration of the economies of the co-operating nations. We were delighted when Canada suggested that, and subsequently it was put in the treaty. I am proud of the fact we suggested it. Now the north Atlantic alliance has recognized the need for economic integration, if you like, but has done very little about it. They did set up an international materials conference for the procurement and allocation of strategic materials to the free world. The purpose, of course, was to prevent stockpiling by any one nation, but unfortunately it failed in its objectives.

[Mr. Coldwell.]

Mr. Sinclair: Not all of them.

Mr. Coldwell: Not wholly, no, but to a very large extent. The seriousness of this problem was brought home to us after the outbreak of the Korean affair. The consequences to the economies of the western European nations, the British and ourselves, we know or should know. This stockpiling has been undertaken largely by the United States, but we have not been innocent. The prices offered and demanded by the United States for certain basic materials soared, as did the prices of some of our materials like nickel and newsprint. Those who controlled the tin cartel, the British and the Dutch, also saw that the price soared, defeating the very purpose of article 2 of the North Atlantic agreement. We say that we should now insist—I am glad that Canada raised this at the recent NATO meeting—on the proper planning of our resources and greater economic co-operation among the nations of the free world. No nation, not even the United States, is self-sufficient.

I was going to make some remarks on the extent to which the United States is not self-sufficient, but I cannot do so because of the lack of time. I am going to say that this lack of co-operation hampers our joint defence. This is unfortunate because we are, in so many respects, complementary to the United States and the United States is complementary to us. On another occasion I shall have something to say about the failure to bring about a balance in the defence purchases of our two countries. I shall also have something to say about the Geneva trade agreement and the United States unilateral action restricting imports of cheese, about which I was pleased to note the member for Coast-Capilano (Mr. Sinclair) had something caustic to say the other day.

If we are to solve the economic problems that arise out of the present international situation, there must be closer co-operation in the allocation of raw materials among the democratic nations. This requires both national and international planning, pooling, and hence intelligent and democratic controls. I said a moment ago there are some who resist controls because they say it is an interference with private enterprise. When we enact any law it is an interference with someone's private affairs. In this time of crisis it seems to me we have a right to protect our own people, and we have an undeniable right—indeed an obligation—to associate with our other friends in the north Atlantic alliance with a view to protecting the economies of the whole of the western world.

I must finish now; but let me say, as I have often said, that this is a matter of