

Emergency Powers Act

necessaries may mean serious hardship, while for those with larger incomes only luxuries and some comforts may have to be given up.

He went on:

Rising prices thus serve to aggravate the inequalities in society, and to throw the heaviest burdens on those least able to bear them. Wartime experience has shown—

I would like to emphasize this:

—that prices rise faster than wages or salaries, and bear more heavily still on those who live on small pensions or life savings. Nor is the position of the farmer any happier than that of the wage earner. . . . Because of the heavy demands of war on industry, the scarcity of manufactured goods is likely to be greater than the scarcity of farm products. The rise in prices will consequently be unequal, if prices are left to themselves. The things farmers have to buy tend to go up in price, more than the things they have to sell.

As a matter of fact we have seen some farm prices falling while the prices of farm machinery and equipment and farm living costs have been rising steeply.

The truth is that all but an insignificant minority of the population would be worse off as a result of rising prices, if prices were permitted to rise unchecked, and in general, the relatively poor would suffer more than the relatively well-to-do.

If ever words were apropos these are at this time and in this debate. They state precisely what we of this party have been saying for some time, and I think they tell the government what they should be doing now. As I say, no doubt the government will reply that when Mr. King made that statement in 1941 we had been at war for two years. As I have said already, while we are not engaged in war in the sense that we were at war then, we are engaged in a desperate struggle with an adversary who in many respects may prove to be more powerful than the nazi dictator with whom we were struggling in 1941. As I quoted Beverley Baxter the other day as having written, the Politburo in Moscow will watch this inflation, knowing that if the cost of living rises and the peoples of the democratic countries have their standards of living reduced, and inequality and unfairness develop, there will be the seed bed for communist propaganda, and no doubt in some instances for communist revolution. The Prime Minister (Mr. St. Laurent) said that this afternoon, though not in so many words. Should war come I think the emergency we will face will be the most costly in the history of the world, and certainly we should not allow ourselves to be further burdened with high prices for the things we need in order to fight a war.

I suppose some people will raise the argument that if we have price control, then of course we must have wage control as well. I know I have been quoted in the press over and over again as having said I was opposed to wage control. I do not think anyone has

heard me say that. What I have said is that I am opposed to the freezing of wages. I have said also that if the proper method is adopted of calling in the representatives of organized labour, as they appeared before the government this morning, and representatives of other interested groups in the community, I believe wage stabilization can be arrived at. Today, however, we have a large measure of wage control. Look at the railway agreement made last autumn. That will run for two years. There we have wage stabilization for two years, while if the government does not take action prices will rise sharply. Indeed, during the fourteen months or so in which that agreement was under negotiation there were steep increases, which were referred to in the report of Mr. Justice Kellock. Believing as he did that in a sense parliament had put a ceiling on the increase that could be granted, the maximum which parliament had suggested was agreed upon; yet it was admitted that price levels had changed and that the increase granted might not be enough to make up for the increased prices.

Those of us who were in the house at the time will remember that wages were frozen early in the last war. My hon. friend from Cape Breton South (Mr. Gillis) may have a word to say about this when he speaks, but it will be remembered that one group of steel workers in the city of Montreal had their wages frozen at an admittedly substandard level, and it took a considerable time to bring them up to something a little more reasonable. Farmers have their wheat prices stabilized and controlled in large measure by an international wheat agreement. Through their agreements workers have their wages controlled for six months, a year, or two years in advance. But the manufacturers, the wholesalers and retailers are under no control. They do not have to negotiate any prices. The farmer, through his farm organization, makes his representations to the government in regard to some of the commodities that have been or are controlled. The worker has to go through the process of a vote and conciliation before he can get an increase. But overnight, without reference to anyone, the manufacturer can get all set for whatever may happen in the way of price increases.

Consequently I say the legislation should not be brought down as a warning, and should not be brought down as stand-by legislation. It should be brought down to be used. Unfortunately, of course, we have let time go by and now an attempt must be made not only to put a ceiling on prices but, as far as we are able, to roll back prices. That may mean, as Mr. Walter Gordon said, that we may have to use subsidies; and I agree with the leader of the opposition in describing Mr.