

Emergency Powers Act

again, as was suggested this afternoon, has been so apparent in the past few months since the government stated in the last session of parliament that powers were being taken so that perchance some control could be exercised.

It has been said on a number of occasions this afternoon that in anticipation thereof certain interests have taken care to see that they are all set for what may happen from now on. Inflation we have. There is no doubt of that at all. We only have to look at the record of rising prices over the last few years. It is not only affecting organized labour but also the white-collar man, or unorganized workers in industry, the pensioner and the person living on a fixed income from savings, but is also very adversely affecting the farming community.

Bureau of statistics figures show that on August 1, 1950, living costs of the average farm family had risen by 43.3 per cent over the 1946 figure as of April 1. I am using a percentage figure. If I used the index figure it would seem still larger. At the same time the cost of living index in urban centres had increased by 42.8 per cent over and above April 1, 1946. In other words, there was a slightly higher increase in the cost of things that enter into the living of farm families than there was in those things that enter into the living of urban families.

This afternoon the leader of the opposition (Mr. Drew) pointed out the fallacy of relying on the United States to prevent further inflation in this country. I think this is a very interesting point. About three or four weeks ago I telephoned the bureau of statistics and asked if they could give me comparable wage rates for the same group of basic industries in Canada and in the United States. I shall quote from memory but my memory is good and I think I can quote accurately within a few cents. The average rate given to me for Canada was \$45 and a few odd cents a week, and for the United States was \$59. If that is true then why is it that the costs of commodities into which labour enters in this country are so much higher than the costs of the same classes of commodities in the United States? I think that is a question that should be answered.

Moreover, in the answering of that question one would find refutation of the very basis used by the Prime Minister (Mr. St. Laurent) on previous occasions, namely, relying too completely on the United States. I now have before me a later figure for Canada than the one I obtained a few weeks ago from the bureau of statistics. The average wage in Canada is \$46.59. Again on the basis of the figures from the bureau of statistics, while

we hear a good deal about increased wages in Canada, in terms of the purchasing power of the Canadian dollar the \$46.59 last month was only equivalent to what \$32.89 would buy in 1946. Therefore the real increase in these wages amounted, in so far as purchasing power is concerned, to some 33 cents a week.

Because I think it could not be said better than it was said by the former prime minister, Mr. Mackenzie King, in a radio address which he delivered in 1941, I should like to draw the attention of the house to what he had to say. His speech was published in the *Labour Gazette* (1941, pages 1362-3) and I shall read therefrom. He said:

Rising prices unless controlled will make it more costly and therefore more difficult to finance the war.

How strikingly that was confirmed by the Right Hon. J. L. Ilesley when he was minister of justice. He stated to the house, as I quoted him the other day, that by an investment of \$200 million the government, by means of controls and subsidies, had been able to save the people of this country, either through their government or individually, \$2,500 million. In other words, for every dollar expended on controls during the war \$12.50 was returned either to the government through reduced expenditures on armaments and supplies or to consumers individually in the things that they purchased. Mr. Mackenzie King pointed out that unless inflation was controlled it would be more costly and therefore more difficult to finance the war. It may be said that we are not at war now. No, we are not at war in the sense that we were in 1941, and I hope we shall not be, but at least we are making preparations equivalent in some respects, though not in amount, to what we would be doing if we actually were at war, and they are made necessary because of the uncertainty in which we live and the possibilities of war. Mr. King went on to say:

Rising prices, unchecked, will spread confusion and uncertainty in industry and trade. They will hinder production and the proper distribution of supplies. They will make the cost of living rise more rapidly than wages and salaries. The value of savings will be materially lessened. The result would be hardship to nearly everyone, and hardship in very unequal measure.

I want to say that there is hardship today, hardship that is being felt in a very unequal measure as returns from certain industries to their shareholders will show, and as by contrast the high prices faced by old age pensioners, veterans and others will show. Mr. King continued:

Rising prices—a rising cost of living—do not have the same effect on all households. The smaller the family income and the larger the family, the more serious the hardship imposed. For those with small incomes rising prices of clothing, food and other