

*Emergency Powers Act*

I also pointed out that the prices of the consumer goods of the classes of our exports were very much dependent upon the prices that could be obtained in the markets to which they were exported, and that that had to be so because if we fixed ceilings that were below the prices that could be obtained in the markets to which our exports went all these commodities would go to those markets unless they were embargoed and we compelled the producers here to sell them to Canadian consumers at prices lower than those that could be obtained in the foreign markets. I said that if anything of that character were attempted there would have to be equalization pools established to give a substantially similar return to all producers of the total quantity.

I also said that it was true that we had kept prices below the United States price level between 1941 and 1946 but that our price ceilings did not prevent a considerable measure of wartime inflation. What they did was to alleviate and postpone the effect of that wartime inflation, but once the war was over we found it was not practicable to have a price structure seriously out of line with the price structure in the United States, and we had to allow our prices to catch up. I added that I thought it had been a wise policy to postpone the effects of inflation until the war was over and until we could devote our energies to the production of greater quantities of commodities for civilian purposes; that would help to meet this problem of inflation. I stated that it was wise to remember that our price ceilings had not prevented inflation, and I ventured to make the bald statement that price control by itself cannot prevent inflation. What it can do is to change the direction and retard some of the effects of inflation. Then I said that, of course, is not an argument either for or against price control.

I went on to say that we must try to keep as low as possible the amount of commodities taken off for our defence purposes, and to see to it that the remainder left for civilian consumption was distributed as fairly as possible, and that price controls might help to do that, but that we would be deceiving ourselves if we thought price controls gave us the whole answer. Then I added that another serious problem in connection with price controls was the matter of enforcement. During the war there was this patriotic urge that made us accept the restrictions or inconveniences to which we were being subjected without too much murmuring, because we all realized that they were quite inconsequential when compared with what our brothers, our sons and daughters in the

armed forces overseas were doing for the country. This created a situation in which most of us here felt that the price control and rationing system was operating in a manner that was fair to everybody, and that was necessary for our own salvation. It would be difficult to obtain that kind of public support for price controls at the present juncture, and no one in this country would want the kind of controls that can only be enforced in a police state.

Then I went on to say that all this does not mean that some controls are not being considered. We have some already, and parliament is at the present time dealing with a bill to give the government power to impose wider controls. We will not hesitate to impose any controls we believe will really work to protect our people generally against the injustice of rising prices. But we are not going to recommend controls unless and until we can honestly tell the public we believe they will work. We are not going to do any shadow-boxing merely because it might get us some immediate applause. At the present time, we do not feel that the conditions are such that an over-all system of price control would be really effective. We wish it were otherwise, and it may become otherwise; and as I said earlier we are keeping our minds free and ready to adapt our policies to any new and changing conditions.

We are asked to declare at this time what the government's intentions are. The government is in the position where, if it declares its intentions, they must not be intentions merely designed to serve for the production of paving blocks for the nether regions. They have to be the kind of intentions we believe we can carry out and implement. Some hon. members seem to believe that price controls at this time would cure the situation. I do not think they would. I do not think it would be healthy for a democratic government to give the impression that it was going to put into effect a series of restrictions on the freedom of the citizens, unless it also coupled that with the assertion it believed it was something that was going to work and which would, in the end, prove to be beneficial to the welfare of the community.

Some reference was made to questions that were put to my colleague the Minister of Trade and Commerce (Mr. Howe) by gentlemen of the press last night. Some questions concerned whether we were considering a mark-up or profit control. We are having all those matters examined, and we are endeavouring to find what we can do that will prove to be effective. There are a great many who believe that it can be done at once by price