

*Supply—Finance*

Then are we to say that this government in Canada—in this majestic nation so packed with productive capacity—cannot do anything about overproduction?—are we to say that they cannot increase consumption by creating money and putting it into the hands of the people, when the thing that fundamentally makes money sound is goods and services? If we were to pass in 1951, in the fall session, a finance act similar to the finance act in 1914, and then we were to find that we had more goods in this country than we could with our then purchasing power consume, we could start creating debt-free money enough to match our overproduction and put it into the hands of the people in the form even of old age pensions, or a dozen other forms. Can the minister give any reason why he should answer question No. 3 by no? Can his experts give any reason why they should answer it no? I hear no reply. Then the answer to question 3 unquestionably is “yes”.

Question No. 4 is this:

Would it not appear that a logical means of scientifically spending such newly created debt-free dollars into the hands of consumers and potential consumers would be to compensate either manufacturers or retailers for giving a discount in the price consumers would have to pay, thereby in effect counteracting inflationary influences by buying lower prices?

Is there any reason why the answer to that question should be no? I am waiting for an answer in the presence of about fifty witnesses. I hear no answer. Then there is no reason why the answer should be no. In other words we could commence right now, Mr. Chairman. If we had an act of that sort on the statute books of Canada, and if the finance department would use that act, we could if our supply of goods is adequate commence right now bringing down prices in this country, by paying a part of the retail price of the goods; and we would pay that price with dollars created by this treasury under the new finance act, and those dollars would all be sound because there would be sufficient goods to keep them sound.

By judiciously using the power which would be given to the treasury under a finance act like that of 1914, passed in 1951, this government would be enabled to attack the high prices now prevailing and progressively to bring them down to a reasonable level. The government could attack any new increase like the increase in connection with wood pulp and could say: No, we do not want that increase in price; that would increase costs all across the board. We will subsidize you where you have got to have some money, and we will subsidize you with this money we will create under this new finance act.

[Mr. Blackmore.]

Can anyone see any reason why that should not be done, provided there are enough goods in the country? If the minister can see any reason why the answer to question No. 4 should be no, let us hear it.

I am maintaining that the answer to question No. 4 should be “yes”; and further that some such procedure as I have just indicated constitutes the only possible harmless means of attacking the so-called inflation of today. If anyone in this chamber or anywhere else can see any other way, let him please come forward and give it.

What is the present government apparently trying to do about inflation, or what they call inflation, the present high prices?

Apparently they are trying to get the inventories in possession of the various manufacturers concerned all across the country so great that there will be heavy price cuts, and we shall have what will bring on a depression, unemployment and all that kind of thing, to the point that we shall have great numbers of people unemployed. Is that what we are working for?

In the course of the slashing of prices, bringing them down, there will be vast losses to the people producing in the country. Is that what we are working for? That is apparently the only device the Department of Finance in Canada is endeavouring to use to combat the so-called inflation today. I think the hon. member for Greenwood would agree with me that that is the case. I believe that the parliamentary assistant to the minister would have to agree that that is the case, and the Prime Minister, to whom I sent a set of these questions, will have to agree that that is the case. It sounds pretty ugly, does it not?

We shall take great numbers of manufacturing concerns all over this country who have had their costs increased by the faulty policies employed by this government since 1946. We shall take these men with their high costs and force them to sell at a loss all over this nation, with loss following loss as heavy as those in the great depression. Is there anyone who is prepared to question that statement? Would it not be far sounder to ease ourselves down by a monetary device until we bring the price structure down to something like what it ought to be?

So we shall agree the answer to question No. 4 is “yes”. And the top ranking experts of the Bank of Canada cannot find any reason why it should not be yes. The minister would not dare say yes if he could, although he has been a very progressive young man, and is today.

If you could take these same fine young men such as the parliamentary assistant to the