

The most significant feature of this budget is this abrupt reversal of government policy, in this most critical period of the war. This dying government now lifts the lid from the inflation they have long since fought, in a last desperate bid for election at any cost.

The Minister of Finance in his speech on Monday night said:

National income in 1943-44 was something like 12 per cent higher than in the preceding fiscal year.

That is for last year. And it enables him to follow more easily than ever before the policy which he has enunciated so vigorously in this house. Speaking directly on the question of the control of inflation the minister stated:

The need for it is evident on every side. It is not without its irritations and disadvantages—

And those are nasty things in election years; he did not say that, but I say it. And may I add, he has had some experience, too, in elections.

—but its beneficial results are beyond dispute. It is only necessary to remind the house that the government reaffirmed its policy in November last and again in March, and that the successful maintenance of that policy, through the period of active military operations in Europe and in the readjustment which will follow, will be even more important to this country than it has been in the past, and that it will be at least as difficult.

These are the minister's own words. Is it any wonder, Mr. Speaker, that after announcing a policy that repudiates control of inflation we find the minister stating, and I quote:

I must repeat and emphasize that this proposal does not imply that the need for saving is less.

Still he takes the savings of the people back, and undoes the purpose for which those savings were taken away from the people in the first place. The child was born on this side of the house, reluctantly accepted on the other side, and forsaken before it was two years old. Why, Mr. Speaker? He states further:

On the contrary, from every point of view, the need is greater than ever before. Civilian goods continue to be in relatively short supply, the demands from the war fronts are more imperative; and over-all cash requirements are mounting to new high levels.

I can well recall when the compulsory savings plan was adopted. Some may not have understood me when I said it was on this side of the house it was proposed, and it was on that side of the house compulsory savings were adopted. To-day they are disbanded when they are needed more. Why the inconsistencies of this budget are apparent even to a child, and the preelection bids can be seen by a blind man.

[Mr. Rowe.]

The proposal of the Prime Minister, which was referred to by the Minister of Finance the other day in his budget speech, regarding family allowances, to come into effect in July of 1945, is a strange advance notice for another parliament to carry into effect an election bid for power by a government that knows this parliament expires before that date. It uniquely disregards provincial rights, which are so often used as an excuse for the lack of policy regarding our natural resources. If this preelection paternalism is sound to propose this year, why wait to practise it next year? Is it because the dominion government know that this issue belongs to provincial jurisdiction? Do they expect this election bonus to be discussed by the dominion-provincial conference, and do they intend to leave it to that conference to share responsibility for its rejection? Every year since this war began, the Minister of Finance has been preaching about the dangers of inflation. Toward meeting such dangers the government inaugurated price control with speed and dispatch, and confiscated workmen's wages before they were received. These were imposed upon our people as war-time necessities to keep purchasing power down to a reasonable ratio to the rigidly rationed consumer goods. That principle, Mr. Speaker, was heralded as the bulwark against ruinous inflation. It was imposed upon the farmer, even though he well knew it was a frozen basis of unfair prices. It was imposed upon the workmen to the point where more work meant less pay. Indeed, it was given to every class within this nation as their war-time duty. Never during this war has inflation so dangerously threatened our economic stability as at the present. This is obvious to everyone. This we were told last Monday night by the Minister of Finance. Yet we now witness the spectacle of this floundering government, in a hopeless effort to buy its way back into power, reducing old taxes with one hand and giving out new hand-outs with the other, thinking not of the next generation but planning for the next election. If there ever was a time in our national life when we should not adopt a defeatist attitude by accepting a policy of paternalism that will establish in perpetuity a billion dollar annual budget for ordinary expenditures in Canada, it is now.

Has this government some secret assurance that the war will be over before the end of this fiscal year, or before the new responsibilities created by this preelection gesture will arise? Will any minister now rise in his place in this house to indicate that Germany will be subdued and Japan beaten before this fiscal year is out? No, but rather: