

*The Address—Mr. Drew*

what I said on April 9 of this year, as reported at page 1730 in *Hansard*. I said this:

It is only natural that in the discussion of a subject of this kind there should be some tendency to oversimplify the issue and suggest that one particular remedy or another will solve the whole problem. At no time in this house or outside it have I ever suggested that this problem can be overcome by any one simple solution. On the contrary I have contended that there is no simple solution, that there are many aspects to this problem.

Then, after discussing the subject further, I went on to say this:

There are a number of things that we have urged the government to do:

First, substantially reduce all non-defence expenditures by the government.

Second, encourage the production of every line of civilian requirements so that increased production of these things may ease the strain and pressures which cause inflation.

Third, encourage immigration which will bring to our country vigorous people with the skill and character which will make them useful members of the Canadian community.

Fourth, remove all restrictions which will discourage the building of new houses urgently needed for the steady increase of population by our own normal growth and by immigration.

Fifth, take effective steps to make sure we get full value for every dollar spent on defence.

Sixth, restrain inflation through the control of currency by the Bank of Canada, and by other monetary controls available to the bank under the act which gives it its powers.

Seventh, introduce emergency controls immediately to the extent that they are required to deal effectively with the cost of living and inflation.

In the explanation which I gave of those recommendations I pointed out that in our opinion production was the one long-term answer to inflation, but that the first and most direct way to tackle this problem was for the government itself to economize and to reduce non-defence expenditures.

In view of the fact that the Prime Minister stated more than a year ago, when this subject was under discussion, that it would be a calamity if inflation in this country exceeded that in the United States, and that everything within the ingenuity of man must be done to prevent it, it is necessary to point out to the government that the ingenuity of this government was not sufficient to prevent it, and that obviously there are things which should be done immediately under the immense powers which they obtained from parliament to deal with the calamity which is already upon us.

It is not enough to be told by the government—and the speech from the throne is the statement of the government—that the government does share the concern of the people of Canada about inflation. We should be told, and through the reports of the proceedings in this house the people of Canada should be told this afternoon, what the ingenuity of this

government does suggest as an effective way of dealing with this calamity at this time.

It would be incorrect to say that the government has done nothing about inflation. It has done a number of things. Most of them have been disastrously wrong; some of them have greatly aggravated the situation. As an example, the government increased the sales tax by 25 per cent last spring and put a special excise tax on a number of articles that are real necessities. We pointed out at that time that those taxes were unnecessary; and that, as they were increased hidden taxes on things which people needed to buy, the taxes were restrictive, unfair and inflationary. It will be recalled that by arguments and by resolutions as well we sought to prevent the imposition of those unfair and unnecessary taxes.

It will be recalled by hon. members who were present that the Minister of Finance (Mr. Abbott) set up his estimates and was unwilling to concede that his budget would really provide more than was necessary for the purposes set out by the department. Now we have ample proof that those taxes were not only unfair but, to a substantial extent, were unnecessary. The \$500 million surplus in five months demonstrates how unnecessary they were and how little reliance hon. members can place upon the estimates presented by the government. Even though no provision has yet been made for any procedure which would repeal those taxes, I trust that the government will take steps to repeal them at this session and relieve the inflationary pressures which they create, as well as the hardship they have produced to consumers of all those things affected by them.

Now, the one answer given, when the attention of the government is called to this enormous surplus in five months, is that it is a wise thing to be able to pay off our debts. That is always sound, at the proper time; but there are things which parliament should be asked to approve. If it is the intention of the government to tax the people for the purpose of paying off debts, then that should be indicated to hon. members of the house at the time the budget is placed before them. And it is not only not good practice, but it is contrary to every principle of parliamentary procedure and every recognized principle of government, if the Minister of Finance has, in fact, intentionally over-budgeted for purposes which he did not disclose to members of the house. The \$500 million is there as evidence of the extent to which this government has taken out of the