

*The Address—Mr. Drew*

statements made on behalf of the government. I trust there may be some belated hope in the statement that the government intends to take every measure that will be effective in counteracting inflation without impairing our free institutions. Mr. Speaker, it is most significant that the government itself says effective measures will be taken and does not for a moment imply that they have been taken.

Most certainly we all wish to conserve our free institutions. The thing that would be most likely of all to destroy our free institutions would be inflation itself, if it is not brought under control. Now that the government indicates that it intends to do something to protect our free institutions by effective measures to combat inflation, the question naturally arises, When and how?

There is no subject calling for more urgent consideration by the members of this house than that of inflation. Even if our defence efforts are brought into some sort of order and expenditures on defence properly supervised and allocated, our efforts along that line can be defeated unless the dreadful economic disease of inflation is finally checked. I borrow the words of the Prime Minister himself when I say that inflation in this country has already reached calamitous proportions.

When we introduced an amendment to the motion adopting the speech from the throne on September 1, 1950, more than thirteen months ago, we expressed regret that the government had failed to take steps to deal with inflation and the rapidly rising cost of living. Discussing that motion and referring to what I had said about the dangers of inflation at that time, the Prime Minister indicated his own belief that it would be difficult for us to have less inflation than the United States, an opinion not commonly shared by all members of this house. But holding that opinion he then used these words, as found in *Hansard* at page 118 of that date:

So far it has not outrun anything that has taken place south of the border.

It might. It would be disastrous if it did. It would be calamitous if it did; and we certainly must do everything within the ingenuity of man to prevent it.

I accept these words of the Prime Minister in so far as the extent of the seriousness of our inflation outrunning that of United States is concerned. Now inflation in Canada has outrun anything that has taken place south of the border. It has outrun it more than the cost of living index really indicates, because, as all hon. members are aware, these things which are not sufficiently regarded as basic necessities to be included

in the cost of living index do not show the same difference as do some of these other things which most people regard practically as necessities, but which still are outside of the articles included in the cost of living index itself. If these other things were included the disparity between our cost of living and that of the United States would be still greater than is shown by the cost of living index. The Prime Minister said on September 1 last year that it would be disastrous, that it would be calamitous if that happened. It has happened, and therefore by his own definition we are now called upon to discuss what should be done about a calamity with which we are already confronted.

In the same speech the Prime Minister said on September 1 last year:

I can say to the house at this time that we are not planning at this session to ask parliament for any enabling legislation which would empower us to impose a general system of controls on wages and prices.

In accordance with that assurance the legislation which was introduced did place some limit upon what the government could do by order in council.

Last spring, however, at the regular session, new legislation was introduced replacing that which had been adopted last September. The explanation given for introducing that new legislation was that the time had now come when the emergency made it necessary for the government to have power to introduce such controls at the time it deemed them advisable. I think this should be remembered at a time when the government seems to be claiming some measure of virtue in the fact that it has refused to adopt controls at the upper level as well as the bottom level.

Now this being so we may well ask ourselves why such wide powers were needed, and why it was that this government, with the support of its followers, obtained the most sweeping and arbitrary powers ever possessed by any democratic government in time of general peace.

In recent speeches on this subject different members of the government have sought to convey the impression that we were trying to convince the public that there was some easy way to deal with inflation. They claim that we have attributed some magic powers to price control. That was precisely what we did not say. We said the very contrary. Since some of the statements which have been made on this subject bear so little resemblance to what actually was said, I should like to place on record once again part of