

*(Translation)*

Honourable senators, the Speech from the Throne summarizes the legislative program which the government intends to submit. I do not propose to analyse it in detail. However, I feel I should mention here the questions of inflation, of social welfare and of national defence.

I will deal first with inflation. Inflation has become a real nightmare in every country. Things that cost ten dollars in 1939 now cost twenty-two. The purchasing power of our dollar has therefore been reduced more than half and the cost of living index is steadily rising! Everyone is anxiously wondering where it will stop. How could we remedy an evil which causes so much distress, which jeopardizes the well-being, the health and even the life of so many people, especially low-wage earners who cannot supplement their earnings, retired persons who live on savings accumulated during a lifetime of labour, the sick, the invalids, and so many others?

To answer such alarming questions, we would have to go into the manifold causes of inflation. This has been done already many times, and findings have been made public. Let me simply point out that the economic and monetary situation of Canada today is quite different from what it was in 1939. For a long time we have had no unemployment. Our program of industrial expansion to develop our natural resources and to implement our national defence policy puts into circulation enormous sums of money which the public immediately uses to buy commodities that they need or merely fancy. On the other hand, war needs and priorities cut down the amount of available goods, thereby creating competition between consumers and forcing prices up!

If Canadians continue to jostle and outbid one another for everything offered for sale, where will inflation stop? Outstanding economists therefore urge us to buy less, to buy only what is essential and to practise self-denial in favour of those whose needs are greater than our own. They tell us that we benefit therefrom, for we shall be keeping our money and helping to check inflation. Our government will help us as it has already done by every means at its disposal:

By credit restrictions. These have caused recrimination in certain quarters, but how much more lament would be heard if the dollar value kept abruptly growing less and less. Credit restrictions reduce the volume of money in circulation; they check or, at least, slow down inflation.

By taxes. The requirements of national defence are enormous. It would be unfair

to shift that burden solely upon future generations. It is therefore advisable that the amount of money in circulation be reduced by taxation and that part of it be used for defence. What good would our money be unless we are free? Let us ask enslaved nations what they would be willing to pay to escape from their bondage! There has been criticism of budget surpluses. Did not the Minister of Finance act wisely in using our surpluses to reduce our national debt?

By savings. Thrift, at this time, has become a patriotic duty. The government urges individuals and corporations to subscribe generously to its loans and to entrust it with their savings. Some, who remember the experience of the last war, advocate the re-establishment of controls. But there have been great changes in the situation. Since 1939, the amount of money in circulation has increased almost tenfold. If the last war had gone on for another year, it would have been hard, for that same reason, to keep controls in force. As far back as 1943, rising costs made it necessary to allow certain producers to lower the quality of their products. Price ceilings were maintained, but consumers received less for their money. And what about the black market? No, as the Prime Minister so aptly pointed out in his speeches in parliament and in his radio broadcasts, the reimposition of controls today would do more harm than good.

Like yourselves, I have read and noted the speeches of our political opponents and the editorials published in certain newspapers violently attacking the Government because it has not reimposed controls. It is amusing to reread what those same people were saying and writing not so long ago. If we glance through the Commons Hansard, we will note the fiery speeches delivered by certain members of the Opposition who clamoured for the abolition of controls. For instance, on page 1297 of the debates of March 12, 1947, Mr. John Hackett, K.C., then member for Stanstead said:

Another form of control which is particularly burdensome is the war-time prices and trade board. Comparing the situation at that time with that of 1920, he added:

We did go through a short period of turbulence, but we escaped the clutches of all these controls!

Were I not reluctant to overtax your patience, I could quote many speeches in the same vein. And yet those same people criticize us today for not reimposing the very controls which they found so evil not so long ago!

To sum up, the first remedy for inflation is to reduce the amount of money in circulation. The second is to encourage savings, and moderation in buying. The third is to