

*The Address—Mr. Drew*

Association and other organizations representing various branches of the army. These men not only serve with the reserve forces, but are also in constant contact with the active forces.

Surely at a time like this, recognizing the special qualifications of those who presented this report, not one of us has any right to ignore the full significance of the statement that some of the assurances we have been receiving are a travesty of the facts.

It is our duty to have the facts. We are not getting them. As representatives of the people of Canada, in these extremely critical times we have no right to accept anything less than the facts. We have no right to accept bland assurances that our defence forces are being fully manned, when we have before us the unqualified statement from those who know best that they are not, and that statements in regard to the strength of our reserve forces are a travesty of the facts.

We have repeatedly urged in the past that a special committee of the house be set up to consider national defence and to obtain the facts. We have no thought, and never have had any thought, that such a committee would supplant the responsibility of the government. A similar committee set up to deal with external affairs has never been charged with usurping that authority. And, after all, the Secretary of State for External Affairs deals with secret information, just as does the Minister of National Defence. At a time when national defence is the most important subject before us, we are told by a body of officers, whose words cannot be challenged, that some very important assurances are only a travesty of the facts. For that reason and for the many other obvious reasons why such a committee is desirable at this time, I do urge upon the Prime Minister that he assure us this afternoon that a committee on national defence will be set up immediately, so that the members of the House of Commons may be sure that defence preparations are proceeding with the utmost possible speed. In the face of a statement of this kind by those who know best, I submit that we have no right to accept the broad generalities of ministerial statements which we have been forced to accept in the past by majority votes in this house.

Now let me turn to the financial consequences of the expenditures on defence. What we have already spent is only a fraction of what we are going to be asked to spend. Nevertheless the people of this country are already feeling the serious consequences of this dislocation of our normal free economy. The cost of living continues to mount, and inflation is threatening the savings of our people as those savings have

not been threatened at any previous time in the life of any one of us. There is nothing in the speech from the throne to indicate what measures the government intends to adopt. Different expectations have been drawn from the very general terms used, and other expectations will be aroused by the comments made by the Minister of Finance this afternoon. This very uncertainty in itself is contributing tremendously to the rapidly mounting spiral of inflation in this country.

When we met last September the government took the widest possible powers to deal with this situation. It was pointed out that those powers were required to deal with the possible consequences of the efforts which were going to be made. The government has failed to exercise those powers. The very obvious fact, however, that people have come to expect controls of various kinds, with resulting shortages of various products, has in itself driven up prices by an artificial demand created by the uncertainty as to what will be available in the months ahead.

We all know that a very large contributing factor to inflation is a buying demand which absorbs available supplies and creates a shortage which encourages buyers to pay more than should be paid. The government is directly responsible for this artificial buying demand. From the day it obtained special powers last September there has been constant reference to controls of different kinds, which has in turn created the impression that sooner or later there will be such controls. I most earnestly impress upon the Prime Minister the desirability of a statement which will remove the uncertainty on this very important subject. I hope he will tell us this afternoon whether it is the intention of the government to introduce a plan of controls, as was hinted by the Minister of Finance this afternoon, and if so, what the nature and extent of those controls will be. If this is not done, the uncertainty which everyone knows is a very real factor in the present inflationary spiral will continue until the government has made its position clear one way or the other.

There are other ways in which the government is contributing to inflation. In spite of the statements which have been made, the government has not yet taken effective steps to cut down its expenditures on non-defence requirements. It has not yet taken the anti-inflationary action which it can take in its financial operations. It has greatly reduced available supplies of many kinds through large purchases for the Department of National Defence and defence production, without doing anything to restrain the consequences of that artificial pressure upon