

We have been through a great ordeal, an ordeal which has tested our soul, our every resource and energy. We have paid for it in blood; we have paid for it in sacrifice; we have paid for it in treasure.

One-half of the actual cost of the war has been paid out of current taxes; two-sixths have been paid out of borrowings, and one-sixth has been paid through the depreciation of our dollar, call it inflation or whatever you will. We got that one-sixth from the Bank of Canada and from the chartered banks. It was, to put it baldly, obtained by the use of the printing press. Our dollar does not buy what it used to buy; our dollar cannot buy what it used to buy, because it has not the inherent worth and value that it had before it was diluted. I think that is something that everybody understands, and when we talk about increased prices we must take that fact into consideration. The minister feared that the cost of living might increase if controls were removed.

In determining the cost of living, whether we will or not, we must take into consideration the total of these subsidies, whether they be \$600 million, whether they be \$800 million or whether they be \$1,500 million. This has not been done. These have resulted from our activities; these have resulted from our way of financing this war; they are burdens which have reduced our resources and which have resulted necessarily in higher prices and in higher costs, expressed in the Canadian dollar.

I wish to submit that there is no national emergency at the present time. Our fighting forces are home from the front; they have been brought back and they have been disbanded and dispersed. They have found gainful occupation. Our great industrial machine which for five or six years was devoted to the manufacture of the munitions of war has been dismantled and dissolved. Many parts have been sold. The people who worked so valiantly, the men and women, the boys and girls, to produce munitions which were so essential to victory have taken up other activities and are now engaged in peaceful occupations.

I have here the whole story, but I am not going to worry you, Mr. Speaker, with all the details. I know that when I have completed this enumeration some hon. gentleman opposite will say that that is evidence of a wise and beneficent government, that it is evidence of the good administration that Canada is enjoying today. I do not wish to be disagreeable, but I believe that the prosperity which is ours today is ours despite the administration and despite its many errors.

[Mr. Hackett.]

Let us take bank clearings as an example. Bank clearings were greater in 1946 than they were in 1945. In the first two months of this year, 1947, they were even greater than they were in the first two months of last year. That is true of the combined bank clearings of Toronto and Montreal. Reports for the rest of the country are not yet available for the first two months of this year. Take bank deposits; they were greater in 1946 than they were in 1945. Take company earnings. Last year they were greater than they were in 1945. Take employment; it was higher in 1946 than it was in 1945.

Mr. KNOWLES: And so is the cost of living.

Mr. HACKETT: Yes. Take unemployment insurance; and I have the figures here somewhere if I can find them, which were published in this morning's press. This shows that the jobless insurance fund shows big gains. It says:

Canada's unemployment insurance fund increased by more than \$4 million in February, and payments made to unemployed workers "were considerably lower than in the same months last year," the unemployment insurance commission announced today.

Then they give the figures as approaching some \$400 million in the coffers of that enterprise.

Mr. MARTIN: All of which adds up to good government.

Mr. HACKETT: May I say to the hon. gentleman opposite that the point I am talking to is not good government; it is not dollars and cents. The point I am talking to is the tendency of the government to destroy confederation, to trample on the rights of the provinces and to dissolve that partnership which was entered into eighty years ago. That is the point to which I am talking, and that is the point which has brought to a focus the disagreement in this family of nations which make up the Canadian people. It is that spirit to which the hon. gentleman has given utterance which threatens the very solidarity of our country.

I go on: foreign trade was greater last year than it was the year before; production was greater; carloadings were more numerous last year than the year before. I am aware that hon. gentlemen will say, "Oh, yes, but we have done these things." I admit that they have happened while the hon. gentlemen were in office. But again I would point out that if wisdom, if prudence, if respect for the lessons of the past counted with the cabinet as we hope it will always count with those who