

*The Address—Mr. Knight*

If you look at the Bank of Canada Act you will find the widest powers given there for the buying and selling of securities.

Why this change? I should like to read something that was said by Mr. Ilsley. Hon. members will note that this is cautiously worded; nevertheless the indication is that they know the answers, that they know how to fix the prices of securities. I have before me a circular which was issued in October, 1945 as an aid in selling victory bonds. It is entitled "Victory Bond Prices" and contains a statement by Mr. Ilsley as follows:

It will be of the greatest importance that we maintain, indeed assure, a ready and stable market for all these millions of bonds that we have sold. We have now the monetary and financial machinery and we have developed the methods for accomplishing this, and we will therefore be able to deal with any situation which may develop in a way which will keep faith with the millions of investors who are supporting the savings program in this national emergency.

There is caution as well as emphasis in that statement. Of course Mr. Ilsley does not say that the bonds will never go below par; nevertheless the people selling those bonds did their best to make the investors believe that. When Mr. Ilsley mentioned keeping faith with the millions of investors, the faith which the ordinary man thought was implied was to keep the bonds at par. I am not saying Mr. Ilsley ever said that, because he did not. On several occasions he refused to say it. Nevertheless at that time the government in effect indicated that they knew all the answers.

What has happened since? We all know. The situation is not quite so good now. The Canadian dollar does not look as good now as it did then. We have had a lot of what can be described as debasing of the currency since then. Our fine Canadian dollar which people were asked to purchase ten years ago in the form of bonds and which they were told was the best investment they could ever have has been affected by this debasing of the currency, and today that dollar is not as good as it was.

Therefore I say that we now have an attempt to get away from responsibility. Now that the powers given four or five years ago have not produced exactly the results which were hoped for, now that a reverse situation has come about, it does not seem to be so popular to assume responsibility. Therefore I bring this to the attention of the house. I say again that I think the statement we had the other day was a masterpiece of hair-splitting. It is complimentary to call it hair-splitting. Though there is not a single sentence in that which is actually a mis-

statement, to me the whole effect was a complete—what shall I say—failure to state the reality of the situation. That is putting it most mildly, but I do not like strong words which may cause pain in certain quarters and which one may want eventually to soften. I say that is a very soft expression to use. All I can add is that I hope this house will not be treated again to a sample of this kind of thing which is far from being a compliment to our intelligence.

**Mr. R. R. Knight (Saskatoon):** Mr. Speaker, I should like tonight to take up a number of things which are of interest to the people of my constituency. The world has grown so small that world affairs come home to us very closely. I suppose that if my constituents had the choice of anything kind Providence might bestow upon them they would ask for the establishment of world peace under the rule of law. That granted we could then proceed toward the solution of other problems.

The next great problem facing the world today is the feeding of its population, which is increasing at an amazing rate. In spite of our vaunted agricultural technique our food production is not nearly keeping up with world demands for food. The distribution of wealth in the form of consumer goods is on an uncertain and haphazard basis. We on this continent are fortunate in being possessed of almost limitless resources, but we cannot expect to sit tight forever on an island of plenty, an island of great natural resources, when surrounded by the envious and hungry eyes of nations which are less fortunate than ourselves. Even in this country we have our distribution problem. The people of Canada are being mulcted by inflation and high prices going still higher. Throughout the years the Minister of Finance (Mr. Abbott) has tried to soothe us with the comforting thought that when consumer goods became more plentiful prices would level off. But is there anyone within the sound of my voice who is now so naive as to think that the system of supply and demand operates freely? It is true that there is an abundance of goods upon our shelves. Our consumer supplies are, I think, almost greater than we can use. There is an abundance of goods which one of these days is likely to prove an embarrassment to us as it has before to our topsy-turvy and haphazard economic system. Under a system in which the law of supply and demand was in free operation, prices would have fallen long ago.

The much vaunted free competition is conspicuous by its absence, and when goods become plentiful they do not necessarily go