

*Income Tax Act*

he would like to have it repeated a dozen times. This is what he said:

Not at all; but I can tell the hon. member that before this thing is over—

He was referring to the war situation.

—we shall go back to a whole lot of things we used years ago. If we have to spend billions of dollars for war purposes, which produce no revenue, we shall have to be prepared to accept a measure of austerity in this country that we have not had for a long time.

I take it that is the considered opinion of the Department of Finance. The other day the Minister of Trade and Commerce (Mr. Howe) made an excellent speech from which I quoted several excerpts yesterday. He told the house, as found on page 448 of *Hansard*, that if individuals and governments co-operated there was no reason whatsoever why the Canadian people should not be able to take in their stride their increased preparedness and still have enough to supply them with a high standard of living. Hon. members can put the summary I have given of the remarks of the Minister of Trade and Commerce alongside the statement of the Minister of National Revenue, and can accept the one they consider the most authentic on the subject under discussion. I maintain that the Minister of Trade and Commerce made a good case when he pointed out that this country is able to produce far more goods of every kind than ever before. He pointed out that we shall require only a very small percentage of our productive capacity to meet our military obligations, as compared with the tremendous percentage we had to take from our production during the peak of the last war; and in several other ways he indicated that there was simply no excuse whatever for the adoption and implementation in this country of a policy that means scarcity and austerity, for the simple reason that our actual production now is so great and our productive capacity is capable of such a tremendous expansion.

For those who desire to get the gist of what the minister said I gave a number of quotations yesterday, which will be found at page 665 of *Hansard*. By reading those statements hon. members and the country at large can get the actual picture. It seems to me, Mr. Speaker, that there is a deliberate design on the part of a good many people in this country to sell the people of Canada the idea that we have to tighten our belts and go through the miseries of austerity and restriction in order to fight a war. As a matter of fact the very opposite is the case; the stronger we get our general economy, the higher the standard of living our people have, the more joyfully will they go out and meet the dangers and sacrifices which will come to us in plenty, in spite of anything we can do. As I see it, this is the question that faces the members of this

[Mr. Blackmore.]

house and the people of this country right now: Shall we submit to the imposition of a regime of scarcity, or shall we insist that in a country with such abundant resources as Canada we shall enjoy a high standard of living and take this war in our stride?

Much has been said about inflation, and I should like to say a word about it as well. The hon. member for Kootenay West (Mr. Herridge) mentioned a number of articles the prices of which had increased in Toronto within the last two or three days. I ask any member of this house, any member of the government or anyone in the country: Do you believe any one of those increases was the result of too much money or of a scarcity of goods? Or were those increases the result of direct and in many cases mischievous manipulation on the part of those who found themselves in a position to manipulate? I challenge any one of the interested persons who increased prices as the hon. member for Kootenay West indicated to show that they had any justification at all for doing so. Certainly they are not justified on the ground of inflation resulting from too much money or the scarcity of goods. Imagine increasing the price of bread, of milk, of sugar or of similar commodities in Canada, because there is too much money! Why, that is enough to cause a person to have a nightmare. To suggest it is nonsense; yet an attempt is being made to sell that very idea to the people of Canada. If the members of this house permit themselves to be indoctrinated with that theory they will have cause for deep regret, and so will all the people who entrusted them with responsibility.

So much for inflation. I say that if we can increase our production sufficiently to keep ahead of the expenditures necessary for the conduct of the war effort, there need be no rise in the price of any commodity, and there need be scarcity in respect of only a very few commodities. There need be no rise in prices such as is ordinarily called inflation. In the light of that, just let us see whether there is any validity in the proposal I made when we were considering the excise tax resolution, that the amount of money which would ordinarily be collected under those excise taxes could have been created by the Bank of Canada just as well, with no ill effects. On the other hand the imposition of the excise tax will force up prices in respect of every single commodity affected either directly or indirectly.

Let us face the facts just as they are; let us be sane and calm and realistic about these matters, and we will come out of this struggle a happier, more prosperous and more powerful country. If I may I should like to