

**Hon. Mr. Macdonald:**—by any Government, in peacetime or in wartime.

The Leader of the Government smiles. Well, I cannot smile at that, honourable senators. It is a very serious situation in which we find ourselves, because the \$6 billion, whether it is statutory or budgetary, has to be raised, and it can only be raised in one manner, by taxing the people of Canada. We are passing legislation which will cost the people of Canada—some 17 million people—over \$6 billion in one year.

Honourable senators, we are spending more money each year. Last year we thought we had reached the top in expenditures when we spent \$5,508,000,000, but even now, when half of the present fiscal year has not elapsed, we are up to more than \$6 billion, and I have no doubt whatsoever that before next March 31 we shall have another supply bill.

I mention these things so that we may realize that we are dealing with very important legislation, and I do not think it should be passed in the light, off-hand and even frank manner in which it was explained to this house. Not only are we in a serious position, but we find ourselves in a precarious position in connection with our trade. The foreign trade deficit shows a big increase for this quarter of the year.

I have in my hand a clipping from the *Brantford Expositor* of a factual statement recorded by the *Canadian Press*:

Canada's deficit in foreign trade of goods and services in the first quarter of the year stood at \$450 million showing a big increase from \$282 million in the corresponding period last year.

The Bureau of Statistics reported today that the increase was due mainly to a trebling of the deficit on the balance of trade in goods, from \$63 million a year ago to \$188 million this year.

Honourable senators, the position with respect to our exports is serious indeed. In 1958 Canada's exports were only approximately the same as her 1957 exports; in fact, they were down slightly to \$4,928,000,000 from \$4,934,000,000. In the first quarter of this year our exports have continued to show a decline. At the same time there is more money in circulation. Prices have gone up and the purchasing power of the dollar has gone down. So the effect on the actual volume must have been very severe indeed. Only this afternoon we had a further discussion on inflation. I thank the honourable senator from Mille Isles (Hon. Mr. Monette) for referring to a speech which I made here earlier in the session. I was very flattered to think he remembered the speech, and even more

flattered when he thought part of it was worthy of being placed on *Hansard* once again.

**Hon. Mr. Aseltine:** Hear, hear.

**Hon. Mr. Macdonald:** The honourable gentleman from Mille Isles said he hoped that as a result of the findings of the Finance Committee my fears of the inflation we now have would be allayed. I can assure him they have not been allayed in any respect whatsoever. Notwithstanding the report of the Finance Committee, I am still fearful of the inflationary position in which we find ourselves at the present time. It is all very well for the report to state what it did regarding the present situation in Canada, but I recall a great deal of evidence that was given to the committee by prominent financiers throughout Canada, which established beyond a shadow of a doubt that we are now experiencing a period of inflation. I go on record at this time as saying that we should be ever on guard against this condition of inflation, and that we should do everything in our power to prevent it from increasing.

Honourable senators, I have mentioned three very serious facts: the great expenditures which we are making, the condition of our trade, and the present inflationary trend. They involve serious problems, and I know that during the recess all senators will give them their best thought in order that we may assist the Government in solving these very serious problems.

**Hon. Mr. Brunt:** Hear, hear.

Motion agreed to and bill read second time.

### THIRD READING

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

**Hon. Mr. Aseltine:** I move the third reading now.

**Hon. Mr. Roebuck:** Are we going on to give this bill the third reading without having a copy of it before us? I think we went far enough, if not too far, when we allowed second reading of the bill. I do not think we should be asked to give the third reading under the same circumstances.

**Hon. Mr. Aseltine:** It happens that only ten copies of the bill were printed.

**Hon. Mr. Roebuck:** Why?

**Hon. Mr. Aseltine:** I understand the bill will be distributed after prorogation. I am informed that has always been the custom. Honourable senators have had the estimates