

*The Address—Mr. Drew*

is sound. But if the government believes that production really is the answer to inflation, then I hope it will immediately take steps to encourage production instead of discouraging it. I hope that as a first step it will announce that it is prepared to introduce legislation to repeal the 25 per cent increase in the sales tax and the wholly unnecessary increases in excise tax which were introduced last spring. Certainly the government can do that.

If the government believes that inflation threatens our defence effort, and more than one member of the government has said that it does, then I hope the government will take the necessary steps to make sure that every dollar spent on defence produces the best possible results. The way to do that is clear. May I repeat what I said before. The best way to assure effective defence production is to set up a committee to examine defence expenditures and provide for the first time some reliable and understandable information for hon. members of this house and the people of Canada about what is happening to our defence dollars.

If we are going to make those little savings which the Minister of Finance now recognizes as being so important the government should accede to the request previously made and which has been accepted in other jurisdictions and appoint a committee or commission to examine the business of government and the cost of operation of government. The minister himself should welcome the advice of independent experts as to ways of preventing duplication and unnecessary complicated services.

The government may have some other plan for dealing with this calamity. I hope it has. Unless inflation is tackled and overcome the consequences are far too serious to contemplate. The main thing that hon. members of this house should seek is positive action. That responsibility rests upon every member of this house, no matter to what party he belongs. If there is in fact some method which has not yet been employed, let us know what the method is. Confidence that this situation is going to be faced is almost as important as evidence that steps have already been taken. The situation is so serious that I am confident the government will receive support for any sound measures it may now put forward which show any real hope of tackling this problem effectively at this time.

I have used the word calamity. I hope there is no hon. member of this house who considers that the inflation which has already taken place is not already a real calamity for many thousands of Canadians. I am

indebted to the Prime Minister for the particular word; but call it what you will the present value of the dollar in actual purchasing power has placed our disabled pensioners, our disabled veterans, our old age pensioners, our blind pensioners, our industrial pensioners, those who have invested in endowment policies for their old age, those who have sought to protect themselves by investing in bonds, and those with low incomes, in a position where they simply do not know today how to make ends meet.

If any member of the government wants to know what is happening all he needs to do is speak to the bank manager in any of the smaller banks who is dealing directly with people in this country who are receiving smaller incomes. I am almost certain that any inquirer will be told that one of the great concerns of the banks today is the extent to which people are encroaching upon their savings and pledging the holdings which they were putting aside for their own protection in an effort to meet the necessary demands of daily life at this time.

We have all acclaimed the fact that at last there is to be a universal pension for all our people reaching 70 years of age. Even before the legislation is passed we are bound to recognize that the \$40 a month which will be paid is not worth much more than \$20 a month compared with pre-war dollars when \$20 a month was not thought to be sufficient by anyone. That is a calamity in itself.

Even if our hopes are realized and the increasing strength of the free nations does prevent a general war, this is likely to be a long and sustained struggle for peace during which we must be constantly arming and renewing our arms. Our ability to maintain that effort and therefore our ability to preserve peace depends on the extent to which we avoid the ravages of inflation.

The urgent, critical and compelling task before parliament, not just the government alone, is to protect the economy upon which our whole effort for self-preservation is going to depend. It is of equally great importance, and closer to us in human terms, that those who are in no strategic position to protect themselves against the heartbreaking effects of inflation, and most certainly not in a position to take advantage of it as some are, will be given not only immediate relief but also some ground for confidence that they will be able to meet the simple demands of their daily lives.

In addition to the very real hardship which is already being suffered and the increasing hardship which would accompany any further rise in the cost of living, there is the fact that in this country, where most people