

*The Budget—Mr. Nielsen*

and that the government, like a knight of old in shining armour, will ride them down and slay them with the aid of their task forces. The truth of the matter is that this Liberal government, because of its lack of discipline, its lack of organizational ability and its penchant for mismanagement, is an absolute failure. In fact, it even gives failure a bad name. Members of this government never make the same mistake twice; I will say that for them. Every day, it seems to me, they find fresh mistakes to make.

● (5:10 p.m.)

The policy of the Liberal government has been to introduce ad hoc measures. It meets situations as they arise. It panics, and it chops and changes. Invariably, instead of following a consistent and carefully planned program designed to pace Canada at an even rate of economic expansion, the government reacts by bringing in measures of short term expediency. What is the result? Everyone in this country faces higher costs, increased taxes, higher prices, increased interest rates, inflation, a critical housing situation and general uneasiness, all problems which have arisen because of the policies or lack of policies of this government.

One would think that the Minister of Finance would make an attempt to level with us, especially since his government finds itself in its present mess. But does he do that? He does not. He tries to have the people believe that the country faces a unique situation. He is astounded because we have tight money and inflation at the same time. I think that the Minister of Finance is perhaps too busy trying to maintain his personal position as one of the front-runners in the Liberal leadership contest, which the Prime Minister tells us every day is not about to be waged. The Minister of Finance is supposed to control the purse strings of the federal treasury. Because of the way he manages money, sir, confidentially, it shrinks. Our money is worth less today; it will buy less than ever before in our history.

The most astounding part of this whole, sorry mess is that the Prime Minister, the Minister of Finance and the government had ample warning. They were all aware of what was happening from the beginning. I cannot refrain from interpolating at this point that I have discovered the real reason for the quarrel between the Minister of Indian Affairs and Northern Development (Mr. Laing) and the Secretary of State (Miss LaMarsh). It hinged on the promise of \$3.5 million to be

made available to the constituency of Niagara Falls.

One expects leadership from the Prime Minister but obviously he is not giving it. Indeed, it is my observation that the Prime Minister is about as necessary to this government as a fence around a cemetery. The Minister of Finance deluded himself, which seems to be easy for him, with false hopes that all would be well. But he was in the position that he could not impress on the cabinet the need for action and therefore he could not impose the required measures. Under the circumstances he has persistently shut his eyes to the fact that inflation is getting worse and worse, that high prices are undermining economic growth and that the expenditures of the government are adding fuel to the fire.

The government has been and is now all sail and no anchor. On June 1 of this year the Minister of Finance, as recorded on page 860 of *Hansard*, said:

By December the economic situation had improved, the rate of expansion in demand had clearly moderated and it did not appear necessary to introduce further measures of fiscal restraint.

Those words were spoken less than six months ago. Now, almost six months later, the country is faced with acute inflationary tendencies. Inflation is still sweeping the country. The Minister of Finance has been forced to impose a third tax increase in three years in order to pay for the government's immoderate expenditures. The government has been warned by those in the money markets that it can no longer borrow with ease and that anxiety and uncertainty are rampant in the country. What plans has the government, apart from hitting the taxpayer again and again, for dealing with the mess it has created? So far as constructive ideas and planning are concerned the members of the Liberal government grope like blind men. This Liberal government, which in 1965 had all the answers, is as broke as a pickpocket in a nudist colony. The only time members of the government know where they are going is after they have taken castor oil. Their conduct is such that they no longer have the confidence of the majority of Canadians.

**Mr. Laing:** You are embarrassing the members on your own side with that kind of language.

**Mr. Nielsen:** The minister says that I am embarrassing the members on my side of the house.