

*The Budget—Mr. Regier*

also had the hearty endorsement of the governor of the Bank of Canada, as I believe is also indicated by the report of the Senate committee on manpower. I should like to read what Mr. Coyne had to say about this matter. I read from Mr. Coyne's release to the press of June 15:

I also entirely agree with the committee's—

He is referring to the Senate committee:

—view that there is need for "a comprehensive study and re-examination of our machinery for monetary control and of its place in the formulation and the carrying out of economic policies". Such a study, whether by a royal commission or other suitable body, would of course have to include the entire banking system, and indeed all the public and private financial machinery in Canada, within the scope of its review and recommendations.

I believe the day is long overdue when the whole role of the Bank of Canada should be thoroughly reviewed and alterations made so that the Bank of Canada is not limited to one narrow aspect of the monetary field. It cannot effectively deal with our monetary needs if we have many investment houses and insurance companies which have far more power, far more authority or far more effectiveness than even the regular chartered banking system of our nation.

This situation did not obtain when the Bank of Canada was initially established. However, it is a situation that we must face up to today, and I believe we will come to the conclusion that whoever is responsible for the operations of the Bank of Canada will have to be given authority much wider and much more extensive in the field of monetary policy than has been the case hitherto.

The government is recommending exemptions for explorations under the Income Tax Act for certain industries in Canada. I find this a little difficult to appreciate when we have in existence unused known resources, unused capital goods, machinery operating at half capacity and in many cases less than that. I feel that when existing known resources are not being fully utilized it is a poor time for the government to be making these extraordinary concessions to encourage additional exploration. There have been warnings issued in the past about this reckless capital expansion, this reckless expansion in our productive capacity. Such men as the heads of the pulp and paper industries of Canada have openly admitted that they have been guilty of overexpansion in the immediate post-war years and that today they are having to operate under a handicap in consequence because they are very badly overcapitalized. I believe the oil industry is another perfect example. We now have to pay capitalization costs on oil wells which are not likely to be used in my lifetime; they will be used, maybe, by my sons or grandsons.

[Mr. Regier.]

However, the present economic system has to bear the cost of maintaining this reckless expansion which has taken place in years not long gone by at a period when our nation lacked the resources necessary to expand in the essential fields of education, hospitalization, roads, highways and the like.

We agree that the government needs an adequate level of income. We have never argued that our proposals can be implemented without our having to pay for them. We do believe that the government can enhance its income most easily by pursuing a policy of full employment. This would make it easier for all levels of government to meet their responsibilities. We believe this is the easiest way by which government revenues could be enhanced to the point where there would, at least, no longer be any need to ask parliament to approve a deficit budget in order that ordinary housekeeping expenditures might be met. We would recommend some reductions in taxation, but also some new taxes and some increases in the field of taxation with the net result that, assisted by a full employment policy, all levels of government would be able to discharge their responsibilities.

I should like at this time to call on the government to take action to protect the consumers of Canada. I believe the consumer is becoming increasingly aware of his identity as a consumer, and that he is becoming more and more restless because of the unwillingness of the government to take action to protect his interests. I make particular reference to the utter failure of the Combines Investigation Act to fulfil its assigned responsibility. It has been ineffective in preventing ruthless exploitation of the Canadian consumer. With the permission of the house I should like to put into the record a table submitted by the Minister of Justice on February 8, 1960 in reply to a question asked by the hon. member for Skeena, because I do believe that the readers of *Hansard* would be most interested in noting how great a variety of consumer goods has been dealt with by the officers of the combines investigation branch, including some of the most essential articles in our daily life such as bread, matches, roofing, wire and cable. I believe it would be in the public interest for the public to see that what the Prime Minister recommended when he was in opposition is most urgent at this time, namely that we put some teeth into our Combines Investigation Act. Merely to levy nominal fines on offending companies is obviously not having the desired effect. Despite all the hard and conscientious work of the civil servants who have the responsibility for