

The Budget—Mr. C. Cameron

fact that it has been actually one of the sources of the dangerous booming capital investments from which Mr. Coyne says we are suffering.

Why is it that certain classes of our community are treated in this manner while another class is treated entirely differently? It is interesting to note that those in our community who receive less than \$4,000 a year receive one-half of one per cent of all dividend income. Those who are in receipt of incomes of less than \$4,000 a year comprise 77 per cent of the income earners of this country. So the government by maintaining this is maintaining legislation which will be of benefit to 23 per cent of the people of Canada, or of the income earners or receivers of Canada, and in doing so is not only treating the Canadian people inequitably, it is contributing to the danger of which they have been warned in no uncertain terms in the last few days.

There is another matter which should be considered at this time. Mr. Coyne tells us in his report about the effects of inflation; he tells us of some of the results of inflation; he says:

Inflation forcibly restricts consumption by exacting the greatest sacrifice from those least able to bear it. It sets up many social and economic stresses, and it feeds on itself—the so-called spiral of inflation of prices and costs.

I ask myself why the Minister of Finance with that advice before him has taken not one step to curb inflationary pressures. I ask myself the reason for that and the only conclusion I can come to is that while the minister is able and feels he is willing to endanger the support for his government by such elements of the community as old age pensioners, he is not prepared to risk and endanger the support of those who supply the sinews of war. There can be no other explanation for this inane refusal to heed the advice of the government's economic advisers. I strongly suspect that the Minister of Finance considers that it is safe enough to gamble with the welfare of the Canadian people for another few months, that by the time the effects of inflation, of which Mr. Coyne warns us, become too evident the people of Canada will have been deluded into re-electing the government.

There is another very important feature in the Coyne report, and that is that part that deals with the Canadian banking system. I have been interested this afternoon to hear from the official opposition the same sort of criticism of these proposals that has come from some of the more economically illiterate journals of the province of Ontario. A famous newspaper in Canada carried an editorial the other day entitled with dramatic

[Mr. Cameron (Nanaimo).]

brevity, "No." The writer took Mr. Coyne to task because he was preparing to deal in a most cavalier manner with the savings of the Canadian people.

Mr. Harris: Better put that in quotes.

Mr. Cameron (Nanaimo): Oh yes, this is in quotation marks as far as he was concerned.

I wondered, when I read this editorial, whether the writer really thought that at the present time those who have money in savings accounts in chartered banks have any control over it whatever. I wondered if in the citadel of the Canadian dollar, to which the dollars generated in western Canada flow like homing pigeons, perhaps down there they have different banking practices, and the good burghers of Toronto, when they go in to deposit money, tell the bank manager, "You are not to invest any of that in government bonds because we don't trust that Minister of Finance in Ottawa; it has to go into housing, or perhaps into oil shares."

No, sir, it was rather fantastic, the criticism we heard this afternoon; and it was the same criticism we heard a year or two ago when we amended the Bank Act. We had ruined the banking system then when we suggested they should go into the mortgage field. While all this howling has been going on—and directed at the wrong thing—there has, of course been a very reasonable excuse for howls from Bay street, because there is a significance in the suggestions of Mr. Coyne which has perhaps escaped many people. I do not think they have escaped the notice of the people who are behind these illogical howls. I think they are quite content to have an illogical howl of rage go up as long as some sort of howl goes up. I believe they know that Mr. Coyne's proposals, if adopted, will be the first step toward some rational control and direction of investment in Canada and, quite logically, the people who view such a development with alarm are determined not to take the first step because they realize that it will be followed inevitably by a second and a third step. Perhaps they have in mind the old German proverb that "he who says 'A' must say 'B'".

Now I think, sir, that those who have been damning the governor of the Bank of Canada have actually been doing it on that basis, and I don't blame them because their interests are actually opposed to those of the people of Canada, while Mr. Coyne's suggestions are in line with the interests of the people of Canada. I was interested to see that Mr. Coyne has been obliged, however,