

I know it has been argued in the other place that a 30 per cent increase in the case of the seaway workers and the longshoremen in Montreal were exceptional cases and did not set a pattern or a precedent. If they did not, why did not the Government say so? For weeks and months after these settlements were arrived at it was stated by labour and by the unions, "Here is our pattern." The charge was made again and again, and the other day the Prime Minister in a plaintive note in the House of Commons said it was too bad that somebody had not explained to the country that this was not a precedent at all.

Honourable senators, the Prime Minister spends a great deal of his time on television. In fact we can count that day lost now on which one does not see the Prime Minister or one of his ministers on TV. Why did he not explain this to the country? Why did he not say this: "Two agreements have been made in this country for a 30 per cent increase in wages, but I warn you, and I warn labour and management that these in fact are not to be used as a pattern or as a precedent." Surely that was the least he could have said with responsibility to the nation.

When it comes to inflation the Government itself is one of the chief offenders. You will say that I am guilty of partisanship in saying this. Let me read what was said only this week by the *Times* of London. Incidentally, Mr. Pearson the other night in a television broadcast quoted an unnamed economic journal congratulating the Government upon its fiscal and monetary policies. I have the name here of the paper I shall quote from. It is the *Times* of London, and talking about the strike, it said:

The main problem, as so often in Canada nowadays, can be traced to weakness of the federal government.

It went on to speak of inflation and it said:

Various restrictive measures were applied in the budget last March. But they do not appear to have been successful so far.

This is partly because the Government has been less stringent with their own than with private spending and partly because they are in a poor position to guide the economy.

"Less stringent with the spending of their own money." This is true. You can hardly pick up a newspaper in the morning without reading where the Government has spent more money here, more there and more some

other place. They have spent more millions for Expo, more millions for the C.B.C., more millions for Mr. Hellyer's policy of the integration of the armed forces.

Hon. Mr. McCutcheon: The unification of the armed forces.

Hon. Mr. O'Leary (Carleton): And so on down the line. This is what has brought about inflation in this country, the Government spending more than anything else.

Honourable senators, there is more. I spoke of the warnings given by Mr. Rasminsky and Mr. Deutsch, but all over Canada people and newspapers of responsibility have been urging the Government again and again in heaven's name to curtail its expenditures, now ranging over the whole area of public activity. Not only are they now concerned with millions for our material needs; they are looking after our cultural needs as well.

It is getting to be now in this country that when some community can afford two supermarkets it comes to the Government and says, "We must have an arts centre as well." This is what is happening.

I have been reading this past week the first volume of the memoirs of Mr. Harold Macmillan, and I would like to think that that volume could be read by every member of the Cabinet, and in fact by every man in public life in this country.

Mr. Macmillan was a Conservative who, like some Conservatives in this country, followed an independent line. He wrote a book called *The Middle Way*. Mr. Macmillan says that after 40 years spent in public life, 40 years in the House of Commons, six or eight of those years as Prime Minister of Great Britain, he has come to the conclusion that under modern circumstances you must have social security, that private business and government, state ownership, must work side by side. However, he went on to give as his final conclusion that the chief problem of a modern democratic society at this time, of a nation like Britain, and the principal thing it must do, is to first find out what are the priorities in the way of public need, and seek finally and most of all to discover, before starting to spend public money, just what the nation can afford.

This Government has been spending money without priority, although priorities have been urged on it. It has been spending money without priorities and without knowing just what the money was being spent for.