

The Budget—Mr. Nielsen

has tried to hoodwink the Canadian people into believing that the government was confronted with a unique, new and therefore urgent situation which had to be met by the measures which he has included in his budget.

Mr. Sharp: There is the same general economic condition around the world.

Mr. Nielsen: The minister says there is the same general economic condition around the world. The minister remembers as well as I do that he saw it coming and made statements to this effect, as did the Prime Minister (Mr. Pearson), over the last two years. But when he tries to have us believe both here and across the land that this is a new situation, at this point I say he is endeavouring to hoodwink the Canadian people.

Mr. Sharp: Oh well, perhaps that is your opinion.

Mr. Nielsen: He thinks they are gullible enough to swallow this. The government goes further, cuts estimates one year ahead, and then asks the public to believe that this is going to result in substantial savings and will somehow solve the economic problems that confront the people.

I am going to refer to one or two things that the Minister of Finance (Mr. Sharp) has said in the past. He asks us to believe that this is a new situation, that an increase in personal income taxes is now necessary because the country is faced with an economic situation that could not be foreseen. The Prime Minister said at Orillia as long ago as October 13, 1965, as reported in the *Ottawa Journal* for the next day:

—economic problems such as inflation would require firm action by a strong central government.

This was said, of course, during an election campaign.

Every time there is a major expansion in the economy the threat of severe inflation is inevitable. Steps must be taken, boldly and decisively, to guard against inflation, otherwise it could destroy the benefits of the boom.

When the Prime Minister was addressing a Liberal party campaign luncheon in Ottawa on September 21, 1965 he had this to say:

New programs are being prepared to assure not only that growth will continue but that its benefits will be spread among all Canadians and that the dangers of inflationary pressures and rising costs that are a part of any great expansion are contained...

Our objective is to have full medicare in operation on Canada's 100th birthday, July 1, 1967.

[Mr. Nielsen.]

So much for the campaign, Mr. Speaker. As we all know, medicare became law. The legislation was passed by parliament and the target date was July 1, 1967. This date would have been met had it not been for increased inflationary pressures which caused the government to postpone it. The government's stand today is that there will be no further delay. The President of the Privy Council (Mr. Gordon) put it this way in a recent speech in Toronto:

We are going to have medicare by July 1, 1968, no ifs, ands or buts.

Here we are, Mr. Speaker, faced with the absolutely adamant stand now being taken by the government. Knowing full well the extent of the serious financial situation which they have created they are trying to shift the blame for their own irresponsible behaviour to the provinces. This, sir, is a government that has been in the hole more often than a grave digger. They have that rare gift for instant decision which is heading the country into bankruptcy. They knew as long ago as 1965 that financial problems were on the way.

How did they meet these problems, Mr. Speaker? Where was their planning? Where was the system of spending priorities that should have been established? What evidence exists as to plans to meet the critical housing situation that is now upon us and which was forecast by the economic council? If we are to take any hope from the background papers that were made available to members today at the outset of the conference now under way between the government and the provinces, there is not much expectation of any solution from these discussions.

What about the meteoric rise in the cost of living, Mr. Speaker? Remember the government's 1965 campaign advertising? The propaganda then was that the Liberals had all the answers. Where are those answers? Indeed, sir, I believe that this government has a difficulty for every solution. As I have said before and say again, whenever a problem arises they say that a study will be made, that a paper is being prepared on the matter, that it will be considered in due course—they are a "due course" government—or that a task force will deal with the matter. What their image-makers are endeavouring to accomplish is to create the picture in the public's mind that all of these enemies of the people—inflation, high living costs, lack of housing and high taxes—are rearing their ugly heads without their knowledge, of course,