

there is a responsibility, if this system is going to function the way it is intended, for everyone concerned to take an intelligent and, hopefully, objective view of this country both in respect of its opportunities and its problems.

Even those people who take a jaundiced view of this institution and its works are not always without redemption. I was interested to read the other day the writings of perhaps one of the most critical and cynical commentators on this institution over the years when he made a confession in the foreword to one of his books, "Home Country" by Peter Newman. He says:

To my surprise, I now harbour a suspicion of the automatically assumed beneficence of change. I have come to believe in the value of tradition, especially as it allows us to preserve the relatively gentle society which still exists on this side of the 49th parallel.

He goes on to say:

Perhaps my real ideological swing has been away from a blind acceptance of the small "L" liberalism of the fifties to a strongly felt nationalism.

Later he says:

It is far too much to claim for "Home Country" that it's the chronicle of a time, but it is the chronicle of a political education, my own.

It is refreshing to come across the writings of someone who is candid enough to say there is something we can all learn.

We have good men in public life at all levels, and perhaps more people have devoted more of their lives to making municipal, provincial and federal affairs operate to the best of their abilities than can be said of almost any other professional calling. This country has men both inside and outside parliament of great leadership, many of whom are in our legislatures and municipal councils, and often they are not given the credit that is due. We no doubt have many potentially exceptional leaders in other fields as well. Sometimes one gets the feeling that it is perhaps a little too bad that so many of them have been employed by newspapers to write editorials and comments on the news, particularly those who have such a great potential for solving our national problems.

Let me take a few minutes to try to put into perspective and on the record some of the apprehensions which concern the people I represent and the people I meet every day. The first and greatest concern or apprehension is inflation, the ever-rising cost of living and the fact that purchasing power lags behind the increase in the cost of living with the rapid debasement of the value of monetary savings of all kinds with a resulting discouragement to thrift, making it an almost impossible task for people to provide for their old age when their savings are depreciated so much in the interval.

Perhaps the worst feature of inflation is the diverting of investment from the production of plenty to the speculation in ownership of things it is supposed are in short supply and, therefore, will command a high price in the future, in an attempt, which is a natural one on the part of individuals and business, to find something that will neutralize the depreciation in the value of money.

There are two types of inflation. There is the general type that is inevitable because as population grows and our needs grow beyond or even greater than population it becomes obvious that material wealth will be harder to

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obtain. For example, it is more difficult and no doubt more expensive, no matter how great our science and technology may be, to extract oil from the Athabasca tar sands than it is to remove it from the ground in easily accessible areas.

● (1530)

It is inevitable that the price of food will have to go up as we have to move from the richest agricultural lands to marginal lands in order to produce food. There are many examples of this sort of thing which I could cite such as in respect of lumber, building materials, metals or any other extracted material. Naturally the cream was taken off first. Then as time goes by and demand increases it is necessary to exploit less rich supplies of these natural resources which are available to us. It is true that science and technology can do much to improve the efficiency of our production, but we should not expect science and technology to be able to accomplish the impossible because the resources are finite and only so much can be achieved.

The most serious type of inflation of course, and the type this government should contain and has the responsibility to contain, is what I might call induced inflation stemming from the government's failure to practice what it preaches. It tells the working man he should not expect his take-home pay to increase faster than his productivity, that people should live within their means and that they should constrain expenditures of certain types. However, the government does not pay any attention to any of these principles. In my judgment we have had rapid over-expenditure on the part of the government.

We have seen the mis-employment of human resources and the unemployment of human resources. If we are to obtain the greatest benefit from our natural and human resources they must be used as efficiently and as fully as possible. Not only this government but governments at other levels—although I believe this government has the blackest record—have acted as if these immutable laws do not apply to them. I submit they do. In this connection I should like to quote briefly from an article in the Board of Trade Journal by Mr. R. L. Smith, president of the Board of Trade of metro Toronto. He makes five points but shall quote only three. He states:

Government spending is taking too much of our gross national product. As a nation we have to live within our means.

The country does not need all the government restraints and controls that are being placed on business today.

The realization of social and political objectives are dependent upon the achievement of economic goals.

He goes on to say:

Perhaps too few of us know that total government spending in Canada is approaching 40 per cent of our gross national product. In 1952, the figure was 26 per cent; in 1962, 31 per cent. Compared to other countries in 1972, government spending in the U.S. was 32 per cent of the GNP; Britain, 36 per cent; France, 37 per cent; Germany, 37 per cent; Japan, 17 per cent.

The Minister of Finance (Mr. Turner) in speaking today in this debate referred in some way to the almost miraculous economic development of Japan or something to that effect. I should like to point out to him that in Japan only 17 per cent of the gross national product is spent by governments. Only ten years ago the federal and provincial revenue totalled about \$13 billion. Today the total is