

The Budget—Mr. Danforth

to recover a part of the monies loaned under these two programs.

To summarize, Mr. Speaker, the government is severely restricting its expenditures and its loans as part of a program to control the inflation of prices and costs and to reduce the excessive pressure being felt on our capital markets.

The tax squeeze necessary at this time may somewhat slow down the growth of our national production next year but this is better than a serious recession later on.

If we cannot, as individuals and organizations, exert the necessary restrictions on price, cost and wage increase, the only other solution will be a collective tax squeeze exerted by parliament. An ounce of prevention is better than a pound of cure. When the government and parliament have taken the necessary steps to brake our expenses and to cover them through tax revenues, those steps must then be accompanied by a serious campaign to obtain, through voluntary co-operation, a major decrease in the excessive growth rate of prices and costs, including salary increases.

The present cycle of inflationary increases in prices and costs must be brought to an end, and a way must be found towards conditions enabling all Canadians to work, to purchase, to sell and to invest, confident that with the years their money will keep its full value. To the extent where we can mobilize efficiently public opinion to fight for those objectives, and thwart the initiatives of those who clearly take advantage of their strong position in the market to obtain inflationary increases, we will achieve a higher level of employment, production and income, as well as price stability.

In conclusion, Mr. Speaker, I must say this government shows that it is realistic and strong when it proposes concrete measures to maintain the continued progress of our economy.

Far from creating an unhealthy climate, as the opposition would lead us to believe, those measures tend to reassure the people of our country and to maintain their confidence in our present economic stability.

Canada's future is bright and promising. We should all be proud to be Canadians and to work untiringly for the welfare of all our fellow citizens.

27053—333

● (4:00 p.m.)

[English]

Mr. H. W. Danforth (Kent (Ont.)): Mr. Speaker, as a result of the introduction of this so-called mini-budget and its effect on our agricultural industry I have felt obliged as never before to stand up in this house and try to put on record for the consideration of all hon. members the plight of the agricultural industry in Canada today.

We have asked the government questions from day to day in an attempt to reflect the feelings of the farmers of Canada and it has become clear that government spokesmen have two answers to these questions and submissions. They say, first of all, that the farmers of this country never had it so good. Two examples are given in support of this contention. It is stated that the gross national agricultural product for 1966 was the largest ever achieved by this country. That is true. It is also stated that measures introduced by this government when the dairy industry was in trouble have led to a reduction in the dairy surplus, that the average return to producers of milk for manufacture has increased from \$2.65 to about \$4.35 per hundred. This also is true.

Spokesmen on behalf of the government have also pointed out that measures taken on behalf of the farmers have led to the provision of increased credit through increases in the funds available to the Farm Credit Corporation, and that more money is also available for farm improvement loans and farm syndicate loans. This is true. The government also claims to have carried out in a varying measure the program of subsidization of agriculture at a cost last year, I believe, of some \$158 million if my memory serves me correctly. This is true.

We, the members of the Conservative party in this house, know that despite these claims agriculture in Canada is today facing what is probably its greatest financial crisis in the history of this country. In these circumstances we have, personally and as a party, refrained as much as we could from trying to take partisan advantage of the situation. We have sought to offer constructive suggestions in our speeches and in our questions we have attempted to ascertain the policy of the government in this field. In addition we have tried to take an active part in the work of the standing committee on agriculture.

In connection with the standing committee on agriculture I should like to point out that