

Price Stability

department was supposed to do. Can the minister claim that unemployment has gone down? Can he claim that prices have gone down or that the pressures on the economy have been reduced since his department came into existence? Probably he has further measures that he hopes will do this, and perhaps this is one that is before us today.

Mr. Basford: Mr. Speaker, would the hon. member permit a question?

Mr. Howe: No, Mr. Speaker, not until I am through. If I may be allowed to continue, it is by results that we judge whether regulations, resolutions and government measures are effective. However, we sometimes wonder why we are in the present situation. I do not think it is always necessary to blame business and labour for it. I believe what the chief of Bell Canada said in one of his statements, namely, that the problems that we have today are created by the government itself in a great many cases. I should like to quote his remarks, which are contained in a *Globe and Mail* report of Tuesday, March 3 this year. He said:

Much of Canada's current fiscal difficulty is due to government programs launched without solidly based estimates of their costs, Robert Scrivener, president of Bell Canada, said yesterday. The situation indirectly causes inflation, he said in a speech prepared for delivery to the Montreal regional council of the Institute of Canadian Bankers.

"As the costs of these programs have risen, as the administration expense becomes a bigger proportion of their total cost, governments have raised taxes and have thus pre-empted a growing share of the gross national product.

"This in turn has led to a more rapid deterioration in the purchasing power of money by diverting money from productive use. This inflation in turn pushes up costs."

Government programs making excessive demands on the gross national product in the name of social welfare are "the very same programs that are doing so much damage to social welfare through the inflation they have largely helped to cause."

Mr. Basford: Why did you vote for medicare?

Mr. Howe: I did not vote for medicare, Mr. Speaker. I fought against the Canada Pension Plan right down the line. However, we know the sort of programs the Liberal Party promises when we are into an election campaign. You might as well have voted against motherhood as vote against the Canada Pension Plan at that particular time, though a lot of people are now having second thoughts about the program. We said both in the House of Commons and in the committee that these sorts of programs are inflationary.

[Mr. Howe.]

What did we find following the passage of the Canada Pension Plan, Mr. Speaker? The same government had to bring in two taxation measures to assist people who were being abused by the rise in the cost of living as a result of the introduction of the Canada Pension Plan. People had to ask for more money to compensate for all the additional deductions from their pay cheques. This was the reason the cost of goods and services went up. If you continue to make deductions from the amount of money a man can take home, when whether he be a businessman or a labourer the pressures on the economy will increase and get out of control.

The government had the chance in the last budget to reduce taxation. But no, the government brags about the surplus it will have. If the government had removed the 2 per cent surcharge and let labour and business spend it as they wished, instead of as the government wished, or if the government had dropped the 12 per cent tax on building materials which is contributing to the increased cost of building across the nation, it might have assisted the economy. There are so many areas wherein the government could take action instead of setting up committees and commissions and creating new departments of government. The government's fiscal and monetary policy has not worked and it is time it took a second look at some of the things that have happened in the nation during the past two years.

● (3:40 p.m.)

Mr. Speaker, we have been speaking of all these commissions and committees which have been set up. There are many questions on the Order Paper concerning interdepartmental reports. I should like to see some of the interdepartmental reports that are so secret and sacred, because they would provide interesting reading for the members of the opposition since I believe the truth is spelled out in them. We all remember a report that was brought into this House in 1957. We have heard some backbenchers and government members who do not know what went on in those days speak about what happened when we were the government.

Back in 1957 during the first month of that Parliament somebody found a report in the Department of Trade and Commerce. What did that report say? It said that things were not good in Canada in 1957. This was a secret report which nobody was supposed to see. Inadvertently, when the offices were cleaned out, the report was found. That report stated