

Borrowing Authority Act

fight and too frightened to run. Because their trauma is at that stage, they are not seeking the answers they should be seeking.

• (1552)

The answers are not difficult. They can be put into two words. The key necessity at this moment is to build an economic base which can carry the weight of our social needs without destroying our country. I spoke of two words. Those two words are productivity and savings. Every piece of economic policy placed before the House should be based upon the philosophy and the principles therein. How can we get greater productivity from our people, from our resources, out of our capital? How can we create more savings on which to base productivity? It is not possible to get those savings if we spend all our time trying to eliminate the middle class and get rid of the upper class or moneyed class altogether—they are so few in number anyway that they do not count that much.

My advice to the government is this: get off the backs of the workers of this country. Look what ministers opposite have done to the Post Office in the last three or four years. They have deliberately allowed their management to force workers into a strike so as to pose as strong defenders of the law. Let them get off the backs of the businessmen. I am not talking only of regulations but of the countless changes of policy—no one knows whether they are going this way or that way, or straight down. Most important of all I say to the government: get off the backs of the workhorses—let's call them what they are, the middle class of this country, and that comprises 90 per cent of us. Get off their backs. Get these taxes off their backs and give them back the incentive to go to work, to earn some money, and to put that money at the service of the development of this country.

I should like to refer at this point to a proposal which was made during a by-election campaign by my party leader. He put forward a program which has been the policy of the official opposition since 1965. He suggested there should be equality of tax levels with other countries. He asserted, for example, that home ownership was something Canadians accepted and wanted. They want the possibility of raising a family with some dignity and away from the rat nests, of the highrises, and he knew that they should get equal treatment with the tenants of this country. The tenants have always been able, through their rent, to get tax deductions, not only on interest on the money spent on the mortgage to build their highrise but also on all municipal taxes.

When my leader suggested that program, in harmony with the Conservative philosophy of the family home, we all know the extent of the attack by so-called economists who all felt they had to honour the conformist role economists have always assumed, namely, always to think alike. I am simply pointing out that such a program has been long overdue. That program would not only help on the social side but it would help combat the lack of law and order which comes from crowding people together in highrise developments.

That policy is economically sound. At this moment in time, with one of the largest unemployment indexes being in the

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construction industry, what could be better than to put people to work doing something productive, building individual homes? Nothing will be lost by way of taxes. There are many precedents to show that by reducing a tax, when you have an unused labour supply and unused material at hand, you increase the tax take. These precedents go back in North American history to a time after the First World War, 50 years ago.

Practical politicians discovered that if productivity was maximized, tax revenues rose. Every member of the House who has been here for the last 15 years has heard me tell the story of how this was done by the Kennedy administration in 1964. A huge reduction in the balance of ways and means, approximately \$10 billion, brought in \$19 billion of new revenue which made the Americans think they could carry on not only their social programs but the Vietnam war as well. When you have unused labour supply together with available materials, it is fighting inflation to put people to work to produce more, because you get more revenue and at the same time you reduce the cost of maintaining people who are unemployed. This is called potential budgeting.

This proposal was made by the Leader of the Opposition (Mr. Clark) and it was received well by the people of Toronto—I think it would be received well in all our towns and villages, and I hope it will apply equally to the farmers. What we have seen from the government in the last few years, in spite of our warnings in 1975, is this: the government deliberately brought in a measure which legislated inflation. I refer to price and wage control. One does not even need to be a grade one economist to know that this is the case. Ministers wanted to control the workers and they wanted to control business profits. All they did was force up costs and bring all these inflationary pressures to bear on us.

This government has no moral principles. It is intellectually dishonest, and philosophically confused. And the most confused man over there is the Prime Minister (Mr. Trudeau). He does not know whether he believes in private enterprise or socialism. He goes this way and that way, depending on public opinion, and because he has no clearcut philosophy—he is still at second year university thinking—there is confusion in the government. Nor is there any help for the government in the civil service.

The civil service was at its peak 30 years ago when it produced that brilliant white paper in 1946. It has been dying ever since. All you have there now are a few mandarins who make certain they tell every other civil servant they must conform to their opinions and climb up the pyramid they have erected, before expressing opinions of their own.

These guys began to die 30 years ago, and today they are only walking around to save funeral expenses. The government cannot get any help from them. They are finished. And what I say about the civil service in Ottawa at higher levels applies equally to the United States. They just follow each other. It is a case of the blind leading the blind.

I have seen many a minister destroyed in this House. I remember the well-known name of John Turner, with all his