

The Address—Mr. Broome

I am then asked why we do not let the people know what we are doing. Evidently our press relations need improving, because the story of the real achievements of this government has not been fully understood.

When this government took over in June, 1957 we had already entered a recession. The famous hidden report of government economists, presented to the Liberal government in the spring of 1957, warned the government that all was not well with the economy of the country. Unemployment was rising, business was slowing down, exports were falling off, and it was time for strong government action to control these forces of recession. The Liberal government chose to ignore this report. They maintained their tight money policy, claiming that inflation was the real menace, not recession.

Looking back it is easy to understand how this happened. They had been in power during war years, first the second world war and then the Korean war. They then had no problem of unemployment. After the war there was the gigantic job of rebuilding Europe and satisfying the pent up demand for consumer goods. There was no problem in selling either at home or abroad. We could sell all we could produce and within reason at whatever price we wished to ask. It was a market where salesmen did not have to sell, they simply took orders.

By 1957 this easy selling era had disappeared and we were once again meeting aggressive competition in the markets of the world, and increasing foreign competition in our domestic market. Japan and western Europe had rebuilt their war-destroyed industrial power, and with active government assistance were increasing their sales at the expense of ours.

It is a fact of nature, Mr. Speaker, that when any species refuses to evolve to meet changing environmental conditions that threaten its existence, then that species disappears; and this, I suggest, can be applied to governments also. I do not mean to imply that the Liberal party is as dead as the dodo, the mastodon or the dinosaur, but their policy in 1957 was strictly for the dinosaurs.

In 1957 they offered a six bucks raise in the old age pension to stimulate consumer spending when they had a \$300 million surplus. They offered nothing for housing, although housing starts had dropped to the lowest point in years and they had \$150 million voted by parliament for N.H.A. loans which they would not release. They offered no aid to exporters, nothing to small business, no reduction in taxes, nothing except wartime thinking for a peacetime economy. Today the Liberal party says "Liberals have

the answers", but the same leaders who say this today had none of the answers in 1957. Five years ago they had none of the answers; today they say they have them all. What a change in five years.

When this government took office the \$150 million in the N.H.A. fund was immediately released. A few months later the total was increased to \$400 million; in May, 1958 to \$750 million; in March, 1959 to \$1 billion; in March, 1960 to \$1.5 billion, and in September, 1961 to \$2 billion. Total amount of loans that may be made by approved commercial lenders was increased 50 per cent from \$4 billion to \$6 billion. Down payments on new homes were lowered to 5 per cent, which is \$500 on a \$10,000 home.

These bold moves led to unprecedented expansion in the housing industry, an easier road to home ownership for the average Canadian, and the provision of jobs for 1.5 million Canadians in construction and in manufacturing, supplying timber, cement, household appliances and furnishings, and the thousand and one items which go into a home. We have extended the scope of this program to include loans to build university residences, loans to municipalities to build sewage disposal plants and extensions to trunk sewers. The new Vancouver sewage disposal plant could not have been built without this assistance, and there are new residences going up on the campus of U.B.C. which could not have been built without this assistance.

In the field of social justice, payments to old age pensioners were increased to \$55, and this month to \$65. The same increases were applied to pensions for the blind and disabled, and for those on old age assistance. Residence requirements were lowered from 20 years to 10 years and old age pensions were made portable so they could be paid to those Canadians who live outside Canada for health or other reasons.

It may not be generally known that this government increased from 2 per cent to 3 per cent the proportion of revenue received from federal sales tax and personal and corporation income taxes earmarked to pay for old age pensions. The result was that in 1961 pension payments were \$592 million and tax receipts to cover those payments were \$603 million, leaving a surplus of \$17 million. Under the Liberals the old age pension fund had a cumulative deficit of around \$500 million. We are attempting to make this fund self-supporting and therefore payable as of right. Undoubtedly the recent increase will throw the fund into a temporary deficit position, but