

Use of Bank of Canada to Ease Tax Burden

this particular group of citizens so that they will be more able to enter into the main streams of Canadian economic, social and cultural life. Our programs in this area, including provision for health, welfare, education and development services are growing rapidly and are estimated to cost over \$225 million in 1969-70.

The federal government provides a wide range of subsidies which assist in the development of natural resources and facilitate the growth of primary industries.

In the field of fisheries there are subsidies for the construction of fishing vessels, assistance in constructing and equipping facilities for the storage of frozen fishery products, and many other programs, such as the recently announced program to assist the groundfish industry.

The Department of Agriculture has many programs of assistance, such as the agricultural prices support programs, the Crop Insurance Act, the Farm Improvement Loans Act, Prairie Farm Assistance Act, storage payments on wheat, and so forth. Transfer payments for 1968-69 under the Department of Agriculture are estimated at approximately \$160 million.

In closing, I should like to again reiterate that the economy must continue to grow and prosper if we are to make real progress in any war on poverty and establish a better country for all Canadians, which I am sure is the aim of all of us. Income redistribution programs and direct attacks on poverty are important, but underlying them there must be high employment and economic growth and the broad levers of fiscal and monetary policy must first be engaged in steering our economy along the path of strong and stable growth, and you don't do this by simply printing money.

In their first review the Economic Council affirmed this basic position. They declared that:

Social progress obviously required balanced development in a number of fields, including social security, education and worker training, health services and standards, housing, and cultural and recreational opportunities—

We would therefore argue that the most important contribution which can be made to future improvement in social welfare will be successful attainment of our basic economic and social objectives, including the goals of high employment, rapid productivity growth and reasonable stability of prices.

This is one of the main problems we have in this country.

[Mr. Benson.]

This concept of a proper blend of social and economic measures, which is the main-spring of the government policies at present, was emphasized again by the Economic Council in their fifth annual review. The council recognized that Canada already had in operation an impressive inventory of social and anti-poverty legislation, but it enumerated some principles which should guide future federal action.

Let me quote again. At the top of the list, the council notes at page 131:

The maintenance of high employment and strong and stable economic growth is crucial. No policies are more effective in helping to move families and individuals out of poverty than the combination of demand and supply policies required to sustain new job creation and the increasingly efficient use of manpower, capital and other productive resources. Without success on this front, other anti-poverty policies are unlikely to be of much avail.

I think this conclusion is absolutely valid, and bears repeating, even if it should be self-evident. Here, as elsewhere, the council makes clear the proper role of the sound and responsible fiscal and monetary policies which the government is pledged to follow, if the larger objectives of social progress are to be achieved.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I did not intend to take part in this discussion, but I could not possibly sit idle and allow the things the Minister of Finance (Mr. Benson) has said this evening to pass. I agree with him, of course, about the importance of the adequate rate of growth associated with a reasonable degree of price stability and employment. I agree also that there is no simple or easy way to achieve this.

On the other hand, I cannot agree with him when he suggests that the government has been carrying out a vigorous policy in this direction. I do not wish to take up the time of the house to go over the history of achievements of ministers of finance under this government during the past years. Let me simply remind the house that it took this government some eight or nine months to produce a white paper on the subject of inflation, which I am sure a group of officials could have put together in the course of a few days.

It has been conceded in this white paper that the tools employed by the government to provide inflationary controls and a reasonable degree of employment have been the wrong ones. There can be no question about this. It is stated also there has been, on the part of