

half the Canadian budget. Farmers are concerned about this. Office workers are concerned about it. Labour is concerned about it. These people cannot afford any more income taxes or deductions from their pay cheques or their profits.

When the hon. lady was Minister of National Health and Welfare, she discussed this plan and said that it must be realized the implementation of the recommendations of the Hall report would involve—listen to this—substantial expenditures from the provincial and federal treasuries. According to news reports the leader of the New Democratic Party said in a speech in the Pincher Creek by-election that increases in wages do not increase the cost of living and that the introduction of grandiose plans does not do so. Economists do not agree with him.

I believe it is time we put on the record what businessmen are thinking today and what our leading economists say in relation to what governments are doing not only in this nation but in other nations. We know that today Great Britain is in a mess. We have seen Prime Minister Wilson forced to change his plans to implement things in Great Britain because the grandiose plans they have implemented have forced him to bring in severe controls and go back on what he said to labour.

Here is what economists are saying, and it is time this was read to the New Democratic Party, whose members are really the socialist conscience of this nation.

Mr. Brewin: Did you say "the conscience"?

Mr. Woolliams: That is right; you are the socialists of this nation.

Mr. Brewin: I thought you said the conscience.

Mr. Woolliams: From your conscience flows your socialism; I think you would agree with that. I should like to quote from *Barron's National Business and Financial Weekly* for August 8, 1966:

Old and new, all such techniques are designed to divert public attention from the real villain of the peace, the inflationary fiscal and credit policies which government continues to pursue. On this score Dr. Arthur F. Burns, a rare scholar who values truth above party preference, plainly deserves the last word. "In all countries and throughout the ages," the economist recently told the House of Representatives, "it has been common practice of governments, when prices rose materially, to point the finger of blame at tradesmen or at industrialists or, in recent times, at trade union leaders as well, and to call them irresponsible and greedy. In a time of war still another epithet

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is frequently hurled at private groups; they are then described as unpatriotic. Very rarely does any government have the courage to blame its own management of finances or its own failure to keep a tight rein on the money supply.

This applies to all governments, not only the Liberal government today. This is what one of the leading economists had to say. I am sure he would agree that increases in wages, and they are necessary when you have an inflationary trend, increases in profits and grandiose schemes that cost large amounts, are inflationary and will continue to aggravate the inflationary crisis in this country. I say that when you hear someone crying about the people of Canada someone has got to speak up for that class of people in this country which comprises the majority, those who contribute to the productivity of this nation. They are the taxpayers. Productivity can only continue to grow at a rate of 6 per cent or 8 per cent, as it has since 1961-62, if these people have enough money for capital purposes in their businesses.

We must have in parliament—I hope I fit into this category—men representing the people of Canada who will speak for those people who produce the gross national product and who pay the bill for this nation. I am not suggesting they should have the total say. However, I am suggesting to the New Democratic Party it is time they had a say. They pay the bill and they produce the gross national product of this country.

How dishonest can we get when we as members of parliament, either in the house or outside, say that increases in wages or increases in profits or increases in plans do not increase the cost of living?

Mr. Douglas: Who said that?

Mr. Woolliams: I say this to the hon. member, with the greatest respect, that although he may have been misquoted I read in the newspaper that he had said that increases in wages in this country do not contribute to the increase in the cost of living. This was a report of a speech he made in Alberta recently. If he denies that, I will accept his denial.

Mr. Douglas: The statement I made was that the reason for the increased cost of living was not the increase in wages because wages had not kept pace with increased productivity.

Mr. Woolliams: Well, I am quite willing to accept the statement that the leader of the New Democratic Party makes in that regard.