

The Acting Speaker (Mr. Bécharde): It being six o'clock I do now leave the chair, to resume the same at eight o'clock.

At six o'clock the House took recess.

[Translation]

AFTER RECESS

The House resumed at 8 p.m.

Mr. Rodrigue: Mr. Speaker, the textile and shoe industries are not the only ones which face problems in my riding. Ready-to-wear factories are experiencing a slack partly due to the flooding of our domestic markets with goods from countries where labour is cheap.

Work stoppages, as well as rising prices and tax increases have aggravated the feeling of insecurity and distress of the textile and shoe workers.

With its programs designed to create new employment, the government falls short of compensating for lost jobs in the farm, textile and shoe sectors.

In the last few years, through publicity, the people were led to believe that industry and trade could by themselves solve the problem created by the consumers' lack of purchasing power, while the true function of industry and commerce is to provide products and services.

When products and services are available, it is up to the government to see that the people have the necessary purchasing power to buy them. Therefore, money is not performing its true function, since in order to do this, it must circulate unencumbered and according to the country's capacity to produce goods and services, the need for which can be determined scientifically. I agree on that point, but I am certainly not in favour of making it scarce so that it may be considered miraculous. I suggest that must be taken into account, first of all by the government itself.

As a matter of fact who in recent years has made capital and money scarce if not the government through its numerous borrowings? In 1968 the federal government borrowed \$5,264 million as compared to \$3,284 million in 1967, which is an increase of \$2 billion.

Since the beginning of the 28th Parliament, the government, with its majority, has passed bills to increase interest rates on loans to farmers, fishermen, veterans and students. Are such measures going to end the problems

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of these people? Are they such as to restrain inflation? No. These increased interest rates will be added to the cost of products, thus pushing prices up.

When advocating something, one must at least be logical. Why deny to low income people an increase in their welfare allowances when, not so long ago, the government approved wage increases to high ranking civil servants. In this connection, I would quote a press release from the prime minister's office to the effect that the recommendations made by the advisory group will come into force as early as January 1969. The new salaries, for the three levels of deputy minister, will range from \$37,000 to \$40,000 for deputy ministers in the third category, from \$28,000 to \$33,000 for deputy ministers in the first category. The maximum salaries for these three categories of civil servants stood at \$31,000, \$28,750, and \$26,500, respectively.

It is true that capital is scarce and that the government itself is responsible for this situation. It is not enough to realize this, we must also find solutions. There is one national institution which could play that role—the Bank of Canada. Why should it not play the part for which it was established? If the government does not want to use it, there is only one other solution, and that is to cut down government expenditures. In my opinion, the first thing to do would be to reduce the budget for national defence. It is important that the government stops playing with the public funds by launching expensive experiments and manufacturing ever deadlier weapons which will likely be obsolete before they are used and which, for all practical purposes, are nothing but scrap metal for millionaires.

[English]

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, first the debate on the budget gives us an opportunity to look at the types of programs the government of Canada is offering the people of this country, and second it gives us an opportunity as individual Members of Parliament to offer alternatives to these programs that we think will be improvements on them. I see that the hon. member for Esquimalt-Saanich (Mr. Anderson) agrees with me thus far.

The budget outlines the government's priorities for its different policies and programs. It gives an idea of the basic direction in which the government is moving, and it gives a good outline of the types of ideas that the government thinks are best in order to solve the problems with which we are faced.