

The Budget—Mr. Monteith

Mr. Monteith: Wheat shipments in August and September, 1967, were 52 million bushels. Shipments of wheat in August and September of 1966 were 116.7 million bushels.

Some hon. Members: Shame.

Mr. Monteith: One of the important growth indicators, the index of industrial production, rose 2.7 per cent in the first nine months of this year compared with an average of 5.7 per cent over the 20 year period 1946 to 1966. This represents a very definite sag in the index of industrial production.

Mr. Sharp: From the highest levels in our history.

Mr. Starr: This points up that we need a new government.

Mr. Monteith: In the 14 years and a few months that I have been in this House of Commons I do not remember such a unanimous condemnation of a government's handling of our financial and fiscal affairs, nor such unanimous alarm at what the government has been doing.

Mr. Sharp: And I have never heard such a speech, except from the hon. member.

Mr. Monteith: There is also unanimous concern about this budget, which is supposed to rectify the situation. I would like to put on the record, Mr. Speaker, just a few excerpts of editorial opinion across this country to show I am not the only one who feels this way, but that it is the unanimous opinion in the country. I would like to read this paragraph from the *Globe and Mail* of December 1, 1967:

● (3:50 p.m.)

At a time when he is urging restraints on everyone else, he will increase Canadians' taxes to pay for the government's own lack of restraint and to reduce his need for going to a money market where he has already worn out his welcome. There is not an atom of deflation in this budget.

The following statement is from the Toronto daily *Star* of December 1, 1967:

Mr. Sharp bears the responsibility for the fiscal mistakes that were made. He will have to explain to the nation why he removed the ceiling on the rate at which banks lend money and thus contributed to the rise in interest rates.

He will have to explain why he waited so long before trying to cut his deficit.

Now, when he has finally recognized the government cannot go on living beyond its means, he will have to defend a budget that tries to deal with present inflation with future promises.

The Toronto *Telegram* of December 1 wrote the following:

The minister has now revealed what Canadians have suspected all along. The cut in expenditures promised by Ottawa wasn't actually reductions, but rather deletions in departmental estimates that had been before cabinet for approval.

Again in the same editorial we find the following statement:

The time has come when the government should provide direction. The latest taxes announced by Mr. Sharp will have to be boosted still more in next spring's budget to meet the costs of medicare.

The 4.5 per cent hike in spending, to be followed by another increase next year, isn't going to sit well with the Canadian people who are being told to tighten their belts.

As Conservative leader Robert Stanfield said last night: "The whole thing is a costly misjudgment on the government's part that won't help restore confidence in it."

The following is a brief comment from the *Hamilton Spectator* of December 1:

Let's get things back into perspective and see where the government fits in.

It is introducing these additional taxes to bail itself out of a hole, not the people. They are getting no new services for this added sacrifice.

The *Windsor Star* of December 1 wrote the following:

It will be an unpopular budget. It applies to five out of every six income taxpayers and all who smoke or drink. Those of modest means, already living from hand to mouth, will be hit the hardest. They are on the fringe where every dollar counts and already had no money to spare.

The following is an excerpt from the *Montreal Gazette* of December 2:

If Mr. Sharp were to take away the new tax dollars, and set them carefully aside, so that the people could not spend them and so that the government would not spend them itself, then this would make clear sense as an anti-inflationary measure. But every dollar that will be taken in the higher taxes will be spent. Why is government spending supposed to be less inflationary than private spending?

The government explains that the new tax money will enable it to reduce its deficit. It will need to go to the bond market for less borrowing. This will reduce the pressure on the bond market, and may result in lower rates of interest.

That is all to the good. But why not accomplish the same end by cutting the government's overspending to the point where the need to borrow would be proportionately reduced?

The following comment is from the Toronto *Globe and Mail* of December 2:

Government policy has unleashed a tiger that is snarling instead of purring and it does not quite know how to handle it.

Then I wish to quote a humorous comment made by George Bain in his column in the